Quarterly Data Report Requirements

APPENDIX D – Pages 73-75 of Federal Communications Commission FCC 07-198

ILLINOIS RURAL HEALTHNET

Quarterly Report for December 31, 2008

NOTE: SOME PORTIONS OF THE DECEMBER 31ST, 2008 QUARTERLY REPORT ARE IDENTICAL TO THE TWO PREVIOUS QUARTERLY REPORTS.

THE SEPTEMBER 30TH AND JUNE 30TH REPORTS ARE INCLUDED AS APPENDICES II (June) AND III (September). IF THERE IS NO NEW INFORMATION FOR A PARTICULAR SECTION OF THE DECEMBER 30TH REPORT, THE NUMBER OF THE SECTION WILL BE FOLLOWED BY A NOTE REFERRING THE READER TO THE PREVIOUS REPORTS, ATTACHED AS APPENDICES.

1. Project Contact and Coordination Information

NO CHANGE IN INFORMATION; PLEASE REFER TO APPENDICES

2. Identify all health care facilities included in the network.

NO CHANGE IN INFORMATION; PLEASE REFER TO APPENDICES

3. Network Narrative:

NO CHANGE IN INFORMATION; PLEASE REFER TO APPENDICES

4. List of Connected Health Care Providers:

NO CHANGE IN INFORMATION; PLEASE REFER TO APPENDICES

5. Identify the following non-recurring and recurring costs

NO CHANGE IN INFORMATION; PLEASE REFER TO APPENDICES

6. Describe how costs have been apportioned and the sources of the funds to pay them:

We have been working with State, federal, local, and not-for-profit organizations to identify the matching funds for the IRHN and for IRHN last mile connections. A number of IRHN members have provided funding, and hospitals will also provide some amount of funds for

the 15% match. The State of Illinois is identifying funds as well, which we believe will occur in the very near future. The final cost apportionment formulas will be worked out in the near future.

a. Explain how costs are identified, allocated among, and apportioned to both eligible and ineligible network participants.

In Appendix I, please see the list of equipment and related costs as they pertain to the IRHN members and the IRHN technical network. These costs are estimates, and will be modified as we post RFPs on the USAC website.

The costs are segmented by fiber and wireless categories, and by geography and facility. There is a separate cost for annual maintenance.

The costs listed in Appendix I are our best estimates, at this time, of how the costs may play out as we go through the USAC bidding process. The IRHN will be posting a series of RFPs that focus on the desired backbone for the network, and that focus on the last mile connections to health care entities.

In some instances, the backbone and last mile costs may be more than we anticipated, and in some instances, they may be less. We will concentrate initially on establishing the backbone, as it will be the "superhighway" that will connect to the last-mile links to the individual health care entities. We can then make adjustments, as needed, to the last mile connection formulas.

The funding from the Pilot Program will be used to purchase equipment and to develop long-term contracts, such as IRUs, for dark fiber connectivity. Here is how it will work:

- Via our posted bids for the backbone, we will be seeking cost-efficient fiber, which could be the result of successful bids from traditional or non-traditional carriers. We will be seeking contracts wherein we pay the long-term cost up front, using the Pilot Program funding. This will help build the business case for sustainability, because we will not have substantial ongoing recurring costs for the backbone.

- Via our posted bids for last mile connections, we will be seeking cost-efficient contracts for long-term periods. The connections could be via wireless (where we would buy the equipment) or fiber laterals (long term contracts paid up front), or from traditional or non-traditional carriers (using long term contracts with the bulk of costs paid in the first few years).

When the IRHN has been implemented, at the end of the five-year period, the only costs going forward will be for maintenance and for equipment/contract refresh. We will be working individually with each health care entity on their separate business cases, and each entity will have to commit to a reasonable ongoing monthly cost for service. Many of our rural hospitals are currently paying in the area of $1000/month for T1 circuits. Many of them would like to increase their throughput, but cannot afford the $5,000 to $10,000/month cost that increased speeds might cost. Via the IRHN, they will be asked to pay approximately double their current monthly cost, for which their bandwidth will increase from 1.5Mbps to a minimum of 100Mbps.

At this time, all but one of our network users are eligible. The one entity that may not be is a rural, for-profit hospital. We will be checking whether it has a dedicated emergency department. If it does not, the facility would have to pay its fair share of network and connection costs in order to be connected to the IRHN.

b. Describe the source of funds from:
i. Eligible Pilot Program network participants

The IRHN has received funds from the following:

- Illinois Critical Access Hospital Network
- Illinois State University
- Northern Illinois University
- Southern Illinois University
- TriRivers Health
- University of Illinois
- In process – funds from Carle Hospital

The IRHN is working with two scenarios for the source of funds for Eligible participants:

- Some hospitals will be providing a portion of the matching funds.
- The IRHN expects to receive a portion of the matching funds from sources other than hospitals.

We have been working with member hospitals to develop specific business cases pertaining to their locations. Some of these hospitals will be providing some or all of the 15% match for their locations.

ii. Ineligible Pilot Program network participants

Any Ineligible network participants will have to pay the entirety of the fair share required to connect to their facility.

c. Show contributions from all other sources (e.g., local, state, and federal sources, and other grants).

The IRHN anticipates receiving funding in the near future from state and federal sources.

i. Identify source of financial support and anticipated revenues that is paying for costs not covered by the fund and by Pilot Program participants.

The IRHN anticipates receiving funds from some of our member institutions and from other state and charitable sources to pay for costs not covered by the fund and Pilot participants. To date, the operating costs for the individuals working on network design studies have been paid by Northern Illinois University.

ii. Identify the respective amounts and remaining time for such assistance.

To be determined.

d. Explain how the selected participant's minimum 15 percent contribution is helping to achieve both the selected participant's identified goals and objectives and the overarching goals of the Pilot Program.

The matching funds will be applied as required, per our understanding of the Pilot Program, in order to move forward each procurement and contractual phase of the implementation process. As such, the contributions will help achieve the implementation of the network

backbone and the last mile connections, and thereby help achieve the high speed bandwidth that is the technical objective. This, in turn, will allow the IRHN facilities to utilize medical applications in rural locations, such as transmitting images from CT scanners and digital mammography, to specialists wherever they may be, for almost real-time consultation and diagnosis of the patient at the rural hospital.

7. Identify any technical or non-technical requirements or procedures…

NO CHANGE IN INFORMATION; PLEASE REFER TO APPENDICES

8. Provide an update on the project management plan, detailing:

a. The Project's current leadership and management structure and any changes to the management structure since the last data report;

NO CHANGE IN INFORMATION; PLEASE REFER TO APPENDICES

b. Updated project schedule:

Illinois Rural HealthNet
Project Schedule for Network Construction

Task Name	Duration	Month
Overall Project Duration	42 Months	42
Committee Formation	completed	3
Formation of Legal Organization(s)	State	Done
Submit 501c(3) within month		
Contracts Processed	May 2010	
Work Complete	42	42
Design Functions Northern Illinois		
Verification of obtainable long haul fiber routes	3 mos	3
Verification of Municipal Resources for wireless	6 mos	6
Municipal Contracts for wireless	6 mos	6
Network Design Approach	6 mos	6
IRU contracts	6 mos	6
Dark Fiber Lateral Design Northern Illinois	5 mos	5
Bid and Processing	9 mos	9
Fiber Acquisition Northern Illinois		
Backbone	6 mos	6
Lateral	9 mos	9

Equipment Installation Northern Illinois

Equipment Selection	30 days	3
Equipment Bid and Processing	60 days	6
Equipment Delivery	60 days	8
Wireless Equipment Installation	60 days	10
Fiber Equipment Installation	90 days	10
Final Completion and Documentation	30 days	12

Design Functions Central Illinois

Verification of obtainable long haul fiber routes	3 mos	3
Verification of Municipal Resources for wireless	6 mos	6
Municipal Contracts for wireless	6 mos	6
Network Design Approach	6 mos	6
IRU contracts	6 mos	6
Dark Fiber Lateral Design	6 mos	6
Bid and Processing	10 mos	10

Fiber Acquisition Central Illinois

Backbone	6 mos	6
Lateral	9 mos	9

Equipment Installation Central Illinois

Equipment Selection	30 days	4
Equipment Bid and Processing	60 days	7
Equipment Delivery	60 days	9
Wireless Equipment Installation	120 days	11
Fiber Equipment Installation	150 days	11
Final Completion and Documentation	30 days	13

Design Functions Southern Illinois

Verification of obtainable long haul fiber routes	3 mos	3
Verification of Municipal Resources for wireless	6 mos	6
Municipal Contracts for wireless	6 mos	7
Network Design Approach	7 mos	7
IRU contracts	6 mos	6
Dark Fiber Lateral Design	7 mos	7
Bid and Processing	11 mos	11

Fiber Acquisition Southern Illinois

Backbone	6 mos	6

Lateral	9 mos	9

Equipment Installation Southern Illinois

Equipment Selection	30 days	6
Equipment Bid and Processing	60 days	9
Equipment Delivery	60 days	11
Wireless Equipment Installation	120 days	13
Fiber Equipment Installation	150 days	13
Final Completion and Documentation	30 days	15

9. Provide detail on whether network is or will become self sustaining. Selected participants should provide an explanation of how network is self sustaining.

The IRHN business case has been designed to be fully sustainable, with no requirement for ongoing external funding from any source.

The IRHN is using the Pilot Program funding for capital expenditures and for long-term contracts, such as Indefeasible Rights to Use (IRUs). After the implementation of the network, the hospitals will pay a relatively low monthly cost, which will pay for network maintenance and will also pay for an "escrow" type fund for equipment refresh in the future.

Prior to any health care entity being connected to the IRHN, the IRHN will develop with the individual entity the business case that governs the relationship. The business case, in general, can be summarized as follows: The Pilot Program funds will be used to establish and implement the network backbone and a portion of the last mile costs. Some hospitals will provide funding for portions of the last mile costs as well.

We are currently working with a number of hospitals to finalize the 15% match requirement for their location. Some hospitals will then provide the 15% match, and we will proceed with those portions of the network.

Sample Work Sheet:

For each geographic and logical region, the following components are factored in:

- Backbone fiber design
  - List elements on the backbone design, with estimated cost
  - Map elements, so RFPs can be prepared
  - Compare RFP results to cost estimates
  - Modify business plan if needed
- Last Mile design
  - List possible elements of last mile design, with estimated cost
    - Fiber laterals
    - Wireless connectivity
    - Services
    - Non-Traditional
  - Map elements, so RFPs can be prepared

    - Compare RFP results to cost estimates
    - Modify business plan if needed
- Business Case
    - Source of 15% match for backbone
    - Source of 15% match for last mile
    - Revise the cost estimate for connecting each of the locations, based on RFP results
    - Develop alternate plans for selected locations, if needed
    - Each hospital signs off on sustainability plan for its location
        - Each location will be responsible for ongoing payment to support network maintenance and equipment refresh
- Network Implementation schedule
    - Implement backbone and last mile connectivity as the availability of the 15% match funding allows
    - Implementing of backbone and last mile connectivity will not begin until the sustainability plan has been agreed to by all parties
- Long-term contracts
    - The Pilot Program funding will be used to purchase
        - Definable assets, such as equipment or fiber or lambdas
        - Long-term services contracts, with the major cost to be paid in the first few years
    - Maintenance contracts for equipment

Sustainability:

Each member location will be responsible for a monthly payment, beginning as soon as the location is successfully connected, that will be approximately double the cost that each location is currently paying for data service.

We estimate that this will be in the area of $2400/month. This will be used to pay the monthly cost for maintenance contracts and to build up the funds for equipment and contract refresh.

10. Provide detail on how the supported network has advanced telemedicine benefits:

NO CHANGE IN INFORMATION; PLEASE REFER TO SECTION 10 IN APPENDIX II

11. Provide detail on how the supported network has complied with HHS health IT initiatives:

NO CHANGE IN INFORMATION; PLEASE REFER TO SECTION 11 IN APPENDIX II

12. Explain how the selected participants coordinated in the use of their health care networks with the Department of HHS and, in particular, with its CDC……..

NO CHANGE IN INFORMATION; PLEASE REFER TO SECTION 12 IN APPENDIX II

APPENDIX I

Cost Apportionment for IRHN Backbone and Last Mile Connections (subject to change)

(Please note: Separate categories for Wireless and Fiber)

Illinois Rural HealthNet

Wireless Build

From City	To City	Transport Costs	End Link Costs	Speed	Hospital
Sandwich	Aurora	$ 92,300		340 Mbps	
	Sandwich		$ 30,300	200 Mbps	Valley West Comm. Hosp.
Harvard	Belvidere	$ 92,300		340 Mbps	
	Harvard		$ 30,300	200 Mbps	Mercy-Harvard Hospital
Rockford	Byron	$ 92,300		340 Mbps	Swedish American Medical
	Byron		$ 30,300	200 Mbps	
Byron	Davis Junction	$ 92,300		340 Mbps	Swedish American Medical
	Davis Junction		$ 30,300	200 Mbps	
Byron	Oregon	$ 92,300		340 Mbps	FHN Family Healthcare Center
	Oregon		$ 30,300	200 Mbps	
Oregon	Forreston	$ 92,300		340 Mbps	FHN Family Healthcare Center
	Forreston		$ 30,300	200 Mbps	
Forreston	Lannark	$ 92,300		340 Mbps	FHN Family Healthcare Center
	Lannark		$ 30,300	200 Mbps	
Lannark	Mt. Carroll	$ 92,300		340 Mbps	FHN Family Healthcare Center
	Mt. Carroll		$ 30,300	200 Mbps	
Mt. Carroll	Savanna	$ 92,300		340 Mbps	FHN Family Healthcare Center
	Savanna		$ 30,300	200 Mbps	
Freeport	Pecatonica	$ 92,300		340 Mbps	FHN Family Healthcare Center
	Pecatonica		$ 30,300	200 Mbps	
Freeport	Lena	$ 92,300		340 Mbps	FHN Family Healthcare Center
	Lena		$ 30,300	200 Mbps	
Freeport	Orangeville	$ 92,300		340 Mbps	FHN Family Healthcare Center
	Orangeville		$ 30,300	200 Mbps	
Lena	Stockton	$ 92,300		340 Mbps	FHN Family Healthcare Center
	Stockton		$ 30,300	200 Mbps	
Stockton	Warren	$ 92,300		340 Mbps	FHN Family Healthcare Center
	Warren		$ 30,300	200 Mbps	
Morrison	Rockfalls	$ 92,300		340 Mbps	

	Morrison			$	30,300	200 Mbps	Morrison Comm. Hosp.
Rock Falls	Ohio	$	92,300			340 Mbps	transport only
Ohio	Mendota	$	92,300			340 Mbps	
	Mendota			$	30,300	200 Mbps	Mendota Comm. Hosp.
Ohio	Princeton	$	92,300			340 Mbps	
	Princeton			$	30,300	200 Mbps	Perry Memorial Hosp.
Princeton	Sheffield	$	92,300			340 Mbps	transport only
Sheffield	Kewanee	$	92,300			340 Mbps	
	Kewanee			$	30,300	200 Mbps	Kewanee Hospital
Kewanee	Geneseo	$	92,300			340 Mbps	
	Geneseo			$	30,300	200 Mbps	Hammond-Henry Hosp.
Kewanee	Galva	$	92,300			340 Mbps	
	Galva			$	30,300	200 Mbps	Regional Family Health Ctr.
Galva	Galesburg	$	92,300			340 Mbps	
	Galesburg			$	30,300	200 Mbps	St. Mary Medical Ctr.
Galesburg	Monmouth	$	92,300			340 Mbps	
	Monmouth			$	30,300	200 Mbps	Community Medical Center
Dixon	Amboy	$	92,300			340 Mbps	
	Amboy			$	30,300	200 Mbps	Sinnissippi Center
Monmouth	Mercer	$	92,300			340 Mbps	
	Mercer			$	30,300	200 Mbps	Mercer County Hospital
Pekin	Hopedale	$	92,300			340 Mbps	
	Hopedale			$	30,300	200 Mbps	Hopedale Medical Complex
Paxton	Gibson City	$	92,300			340 Mbps	
	Gibson City			$	30,300	200 Mbps	Gibson Area Hospital
Paxton	Cissna Park	$	92,300			340 Mbps	
	Cissna Park			$	30,300	200 Mbps	Cissna Park Medical Clinic
Cissna Park	Hoopeston	$	92,300			340 Mbps	
	Hoopeston			$	30,300	200 Mbps	Hoopeston Comm. Hosp.
Lincoln	Clinton	$	92,300			340 Mbps	
	Clinton			$	30,300	200 Mbps	Dr. John Warner Hosp.
Macomb	Table Grove	$	92,300			340 Mbps	
	Table Grove			$	30,300	200 Mbps	Table Grove Family Practice
Table Grove	Astoria	$	92,300			340 Mbps	
	Astoria			$	30,300	200 Mbps	Community Medical Ctr.
Astoria	Rushville	$	92,300			340 Mbps	
	Rushville			$	30,300	200 Mbps	Sarah D. Culbertson Mem. Hosp

Astoria	Mason	$	92,300			340 Mbps	
	Mason			$	30,300	200 Mbps	Mason District Hospital
Jacksonville	Winchester	$	92,300			340 Mbps	
	Winchester			$	30,300	200 Mbps	Winchester Family Practice
Winchester	Pittsfield	$	92,300			340 Mbps	
	Pittsfield			$	30,300	200 Mbps	Illini Community Hospital
Springfield	Taylorville	$	92,300			340 Mbps	
	Taylorville			$	30,300	200 Mbps	St. Vincent Mem. Hosp.
Taylorville	Pana	$	92,300			340 Mbps	
	Pana			$	30,300	200 Mbps	Pana Comm. Hosp.
Effingham	Newton	$	92,300			340 Mbps	
	Newton			$	30,300	200 Mbps	Brush Creek Med. Ctr.
Newton	Robinson	$	92,300			340 Mbps	
	Robinson			$	30,300	200 Mbps	Crawford Mem. Hosp.
Litchfield	Hillsboro	$	92,300			340 Mbps	
	Hillsboro			$	30,300	200 Mbps	Hillsboro Area Hospital
Hillsboro	Vandalia	$	92,300			340 Mbps	
	Vandalia			$	30,300	200 Mbps	Fayett County Hospital
Litchfield	Carlinville	$	92,300			340 Mbps	
	Carlinville			$	30,300	200 Mbps	Carlinville Area Hospital
Carlinville	Greenfield	$	92,300			340 Mbps	
	Greenfield			$	30,300	200 Mbps	Boyd Fillager Clinic
Greenfield	Carrollton	$	92,300			340 Mbps	
	Carrollton			$	30,300	200 Mbps	Thomas Boyd Mem. Hosp.
Salem	Flora	$	92,300			340 Mbps	
	Flora			$	30,300	200 Mbps	Clay County Hospital
Flora	Fairfield	$	92,300			340 Mbps	
	Fairfield			$	30,300	200 Mbps	Fairfield Mem. Hosp.
Flora	Olney	$	92,300			340 Mbps	
	Olney			$	30,300	200 Mbps	Richland Mem. Hosp.
Olney	Lawrenceville	$	92,300			340 Mbps	
	Lawrenceville			$	30,300	200 Mbps	Lawrence County Mem. Hosp.
Lawrenceville	Mount Carmel	$	92,300			340 Mbps	
	Mount Carmel			$	30,300	200 Mbps	Wabash General Hosp. Dist.
Breese	Highland	$	92,300			340 Mbps	
	Highland			$	30,300	200 Mbps	St. Joseph Hospital
Breese	Nashville	$	92,300			340 Mbps	
	Nashville			$	30,300	200 Mbps	Washington County Hosp.
Nashville	Pinckneyville	$	92,300			340 Mbps	

	Pinckneyville		$ 30,300	200 Mbps	Pinckneyville Comm. Hosp.
Nashville	Sparta	$ 92,300		340 Mbps	
	Sparta		$ 30,300	200 Mbps	Sparta Comm. Hosp.
Sparta	Chester	$ 92,300		340 Mbps	
	Chester		$ 30,300	200 Mbps	Memorial Hospital
Sparta	Red Bud	$ 92,300		340 Mbps	
	Red Bud		$ 30,300	200 Mbps	Red Bud Regional Hospital
Pinckneyville	DuQuoin	$ 92,300		340 Mbps	
	DuQuoin		$ 30,300	200 Mbps	Marshal Browning Hosp.
DuQuoin	Murphysboro	$ 92,300		340 Mbps	
	Murphysboro		$ 30,300	200 Mbps	St. Joseph Mem. Hosp.
Centralia	Mount Vernon	$ 92,300		340 Mbps	
	Mount Vernon		$ 30,300	200 Mbps	Crossroad Comm. Hosp.
Mount Vernon	McLeansboro	$ 92,300		340 Mbps	
	McLeansboro		$ 30,300	200 Mbps	Hamilton Mem. Hosp. Dist.
McLeansboro	Eldorado	$ 92,300		340 Mbps	
	Eldorado		$ 30,300	200 Mbps	Ferrell Hospital
Mount Vernon	Benton	$ 92,300		340 Mbps	
	Benton		$ 30,300	200 Mbps	Franklin Hospital
U of I Last Mile	Various	$ 400,000			
	Transport	$ 6,214,900			
	Local Loop		$ 1,848,300		

Note: all locations and facilities are located within the State of Illinois.

Illinois Rural HealthNet
Fiber Optic Network Costs

Location & Facility	Fiber Infrastructure Costs	Equipment Costs	Speed
City of Belvidere			
Northwest Suburban Community Hosp	$69,514.00	$15,000.00	1 Gbps
City of Belleville			
Memorial Hospital	$42,240.00	$77,000.00	1 Gbps
City of Braceville			
Repeater Station	$87,120.00	$43,000.00	1 Gbps
City of Canton			
Graham Hospital	$10,000.00	$45,000.00	1 Gbps
Coleman Clinic Rural Health Clinic	$16,500.00	$15,000.00	1 Gbps
City of Carthage			
Memorial Hospital	$326,700.00	$77,000.00	1 Gbps
Women & Family Medical Care	$8,250.00	$4,000.00	1 Gbps
City of Centralia			
St. Mary's Hospital	$104,544.00	$77,000.00	1 Gbps
City of Chenoa			
OSF Medical Group – Chenoa	$130,680.00	$77,000.00	1 Gbps
City of Danville			
Provena USMC	$33,000.00	$45,000.00	1 Gbps
Danville Pediatric Center	$9,500.00	$4,000.00	1 Gbps
City of Decatur			
Decatur Memorial Hospital	$25,750.00	$80,000.00	1 Gbps
St. Mary's Hospital	$130,680.00	$15,000.00	1 Gbps
City of DeKalb			
NIU	$528,033.00		1 Gbps
Kishwaukee Community Hospital		$15,000.00	1 Gbps
Ben Gorden Center		$4,000.00	1 Gbps
DeKalb County Health Department		$15,000.00	1 Gbps
City of Dixon			
Katherine Shaw Bethea Hosptial	$178,596.00	$77,000.00	1 Gbps
City of East St. Louis			
Kenneth Hall Regional Hospital	$41,250.00	$77,000.00	1 Gbps
City of Effingham			
St. Anthony's Memorial Hospital	$56,100.00	$77,000.00	1 Gbps
Mid-Il Medical Care Assoc. LLC	$2,500.00	$4,000.00	1 Gbps

City of Eureka			
Eureka Community Hospital	$15,000.00	$77,000.00	1 Gbps
Town and Country Rural Health Care Clinic	$2,500.00	$4,000.00	1 Gbps
City of Freeport			
FHN Memorial Hospital	$429,792.00	$77,000.00	1 Gbps
City of Galena			
Galena-Stauss Hosp & HC Center	$247,420.00	$45,000.00	1 Gbps
City of Germantown			
Clinton Co. Rural Health Clinic	$32,175.00	$77,000.00	1 Gbps
City of Jacksonville			
Passavant Area Hospital	$52,800.00	$77,000.00	1 Gbps
City of Kankakee			
Provena St. Mary's Hospital	$44,000.00	$77,000.00	1 Gbps
Riverside Medical Center	$90,200.00	$15,000.00	1 Gbps
City of Lincoln			
Abraham Lincoln Memorial Hosp	$261,360.00	$77,000.00	1 Gbps
Lincoln Rural Health Clinic	$7,500.00	$4,000.00	1 Gbps
City of Litchfield			
St. Francis Hospital	$100,188.00	$77,000.00	1 Gbps
Litchfield Family Practice Center	$9,000.00	$4,000.00	1 Gbps
Village of Malta			
Tri-county Community Health Center		$15,000.00	1 Gbps
City of Mattoon			
Sarah Bush Lincoln Health Center	$40,000.00	$90,000.00	1 Gbps
City of Macomb			
McDonough District Hospital	$87,120.00	$77,000.00	1 Gbps
City of Naperville			
Cross Connect from I-55 to Naperville Fiber	$606,925.00		1 Gbps
IRU From Naperville	$31,500.00		1 Gbps
City of Normal	$305,085.00		
ISU		$45,000.00	1 Gbps
BroMenn Health Care		$15,000.00	1 Gbps
OSF St. Joseph Medical Center		$15,000.00	1 Gbps
City of Onarga			
The Onarga Clinic	$15,000.00	$45,000.00	1 Gbps
City of Paris			
Paris Community Hospital	$12,000.00	$45,000.00	1 Gbps
Paris Family Medical Center	$1,200.00	$4,000.00	1 Gbps

City of Paxton			
The Paxton Clinic	$30,000.00	$77,000.00	1 Gbps
City of Peoria			
Pekin Hospital	$32,720.00	$77,000.00	1 Gbps
Pekin Hospital	$119,361.99		1 Gbps
PeoriaNet System		$90,000.00	
City of Perry			
Repeater Station	$87,120.00	$45,000.00	1 Gbps
City of Pontiac			
OSF St. James- JW Albrecht MC	$24,750.00	$77,000.00	1 Gbps
City of Quincy			
Blessing Hospital	$15,015.00	$77,000.00	1 Gbps
City of Rochelle			
Rochelle Community Hospital	$7,500.00	$77,000.00	1 Gbps
Your Family Doctor	$2,500.00	$15,000.00	1 Gbps
City of Rock Falls			
CGH Medical Center	$180,040.00	$45,000.00	1 Gbps
IRU With Rock Falls			
City of Rockford			
U of I Medical Center	$261,360.00	$15,000.00	1 Gbps
Rockford Memorial Hospital		$77,000.00	1 Gbps
Swedish American Hospital		$15,000.00	1 Gbps
OSF St Anthony Medical Center		$15,000.00	1 Gbps
Van Matre Health South Rehb Hosp.		$15,000.00	1 Gbps
City of Salem			
Salem Township Hospital	$278,784.00	$77,000.00	1 Gbps
City of Springfield			
St. John Hospital	$17,248.00	$77,000.00	1 Gbps
Memorial Medical Center	$78,820.00	$15,000.00	1 Gbps
City of Staunton			
Community Memorial Hospital	$217,800.00	$77,000.00	1 Gbps
Staunton Family Practice	$21,450.00	$15,000.00	1 Gbps
City of Tuscola			
Carle Clinic – Tuscola	$34,650.00	$77,000.00	1 Gbps
City of Urbana			
Provena Covenant Medical Center	$27,500.00	$77,000.00	1 Gbps
University of Illinois		$45,000.00	1 Gbps
City of Warsaw			
Hamilton-Warsaw Clinic	$148,104.00	$77,000.00	1 Gbps

State of Illinois			
McLeod IRU	$1,117,950.00		n/a
NIUNet			
Build out Costs to Rockford w/DNTP	$800,000.00	$500,000.00	n/a
City of Chicago			
Starlight	$320,000.00	$120,000.00	1 Gbps
MREN			
Fiber Cabling	**$8,014,394.99**		
Fiber Equipment		**$3,679,000.00**	

Note: all locations and facilities are located within the State of Illinois.

Illinois Rural HealthNet
Fiber Maintenance Costs

Location	Estimated Fiber Length	Estimated Annual Fiber Costs or Mainteance	Estimated Annual Equipment Costs
City of Belvidere			
Northwest Suburban Comm Hosp	4,213	$1,053	$1,200
City of Belleville			
Memorial Hospital	2,560	$640	$6,160
City of Braceville			
Repeater Station	5,280	$1,320	$3,440
City of Canton			
Graham Hospital	300	$75	$3,600
Coleman Clinic Rural Health Clinic	1,000	$250	$1,200
City of Carthage			
Memorial Hospital	19,800	$4,950	$6,160
Women & Family Medical Care	500	$125	$320
City of Centralia			
St. Mary's Hosptial	6,336	$1,584	$6,160
City of Chenoa			
OSF Medical Group – Chenoa	7,920	$1,980	$6,160
City of Danville			
Provena USMC	2,000	$500	$3,600
Danville Pediatric Center	500	$125	$320
City of Decatur			
Decatur Memorial Hospital	1,500	$375	$6,400
St. Mary's Hospital	7,920	$1,980	$1,200
City of DeKalb			
NIU	32,002	$8,001	
Kishwaukee Community Hospital			$1,200
Ben Gorden Center			$320
DeKalb County Health Department			$1,200
City of Dixon			
Katherine Shaw Bethea Hosptial	10,824	$2,706	$6,160
City of East St. Louis			
Kenneth Hall Regional Hospital	1,500	$375	$6,160
City of Effingham			
St. Anthony's Memorial Hospital	3,400	$850	$6,160
Mid-Il Medical Care Assoc. LLC	500	$125	$320

City of Eureka			
Eureka Community Hospital	500	$125	$6,160
Town and Country Rural Health Care Clinic		$0	$320
City of Freeport			
FHN Memorial Hosptial	19,536	$4,884	$6,160
City of Galena			
Galena-Stauss Hosp & HC Ctr	14,955	$3,739	$3,600
City of Germantown			
Clinton Co. Rural Health Clinic	1,950	$488	$6,160
City of Jacksonville			
Passavant Area Hosptial	3,200	$800	$6,160
City of Kanakee			
Provena St. Mary's Hospital	1,600	$400	$6,160
Riverside Medical Center	3,280	$820	$1,200
City of Lincoln			
Abraham Lincoln Memorial Hosp	15,840	$3,960	$6,160
Lincoln Rural Health Clinic	500	$125	$320
City of Litchfield			
St. Francis Hosptial	6,072	$1,518	$6,160
Litchfield Family Practice Center	500	$125	$320
Village of Malta			
Tri-county Community Health Center			$1,200
City of Mattoon			
Sarah Bush Lincoln Health Ctr	1,500	$375	$7,200
City of Macomb			
McDonough District Hospital	5,280	$1,320	$6,160
City of Naperville			
Cross Connect from I-55 to Naperville Fiber	22,070	$5,518	
IRU From Naperville	110,880	$4,725	
City of Normal	20,339	$5,085	
ISU			$3,600
BroMenn Health Care			$1,200
OSF St. Joesph Medical Center			$1,200
City of Onarga			
The Onarga Clinic	300	$75	$3,600
City of Paris			
Paris Community Hospital	500	$125	$3,600
Paris Family Medical Center		$0	$320

City of Paxton			
The Paxton Clinic	300	$75	$6,160
City of Peoria			
Pekin Hospital	32,311	$16,800	$6,160
Pekin Hospital	7,234	$1,808	
PeroriaNet System			$7,200
City of Perry			
Repeater Station	5,280	$1,320	$3,600
City of Pontiac			
OSF St. James- JW Albrecht MC	1,500	$375	$6,160
City of Quincy			
Blessing Hospital	910	$228	$6,160
City of Rochelle			
Rochelle Community Hospital	15,840	$3,600	$6,160
Your Family Doctor	3,800	$1,800	$1,200
City of Rock Falls			
CGH Medical Center	9,002	$2,251	$3,600
IRU With Rock Falls			
City of Rockford			
U of I Medical Center	9,504	$2,376	$1,200
Rockford Memorial Hospital			$6,160
Swedish American Hospital			$1,200
OSF St Anthony Medical Ctr			$1,200
Van Matre Health South Rehb Hsp			$1,200
City of Salem			
Salem Township Hosptial	16,896	$4,224	$6,160
City of Springfield			
St. John Hosptial	748	$187	$6,160
Memorial Medical Center	3,310	$828	$1,200
City of Staunton			
Community Memorial Hospital	13,200	$3,300	$6,160
Staunton Family Practice	1,300	$325	$1,200
City of Tuscola			
Carle Clinic – Tuscola	2,100	$525	$6,160
City of Urbana			
Provena Covenant Medical Center	1,000	$250	$6,160
Univiersity of Illinois			$3,600
City of Warsaw			
Hamilton-Warsaw Clinic	8,976	$2,244	$6,160

State of Illinois			
Mcleod IRU	1,133	$339,900	
NIUNet			
Buildout Costs to Rockford w/DNTP		$180,000	
City of Chicago			
Starlight		$32,000	
MREN		$38,000	
	Totals	$693,634	$244,720

Estimated Annual Operational Costs	**Year 1**
Maintenance Costs Estimate	$938,354.00
2 Network Operations Personnel @$80K/FTE	$160,000.00
Total Estimated Annual Operational Costs	**$1,098,354.00**

Illinois Rural HealthNet
Wireless Maintenance Costs

From City	To City	Transport Costs	End Link Costs	Yearly Maintenance
Sandwich	Aurora	$ 92,300		$ 4,615
	Sandwich		$ 30,300	$ 1,515
Harvard	Belvidere	$ 92,300		$ 4,615
	Harvard		$ 30,300	$ 1,515
Rockford	Byron	$ 92,300		$ 4,615
	Byron		$ 30,300	$ 1,515
Byron	Davis Junction	$ 92,300		$ 4,615
	Davis Junction		$ 30,300	$ 1,515
Byron	Oregon	$ 92,300		$ 4,615
	Oregon		$ 30,300	$ 1,515
Oregon	Forreston	$ 92,300		$ 4,615
	Forreston		$ 30,300	$ 1,515
Forreston	Lannark	$ 92,300		$ 4,615
	Lannark		$ 30,300	$ 1,515
Lannark	Mt. Carroll	$ 92,300		$ 4,615
	Mt. Carroll		$ 30,300	$ 1,515
Mt. Carroll	Savanna	$ 92,300		$ 4,615
	Savanna		$ 30,300	$ 1,515
Freeport	Pecatonica	$ 92,300		$ 4,615
	Pecatonica		$ 30,300	$ 1,515
Freeport	Lena	$ 92,300		$ 4,615
	Lena		$ 30,300	$ 1,515
Freeport	Orangeville	$ 92,300		$ 4,615
	Orangeville		$ 30,300	$ 1,515
Lena	Stockton	$ 92,300		$ 4,615
	Stockton		$ 30,300	$ 1,515
Stockton	Warren	$ 92,300		$ 4,615
	Warren		$ 30,300	$ 1,515
Morrison	Rockfalls	$ 92,300		$ 4,615
	Morrison		$ 30,300	$ 1,515
Rock Falls	Ohio	$ 92,300		4,615
Ohio	Mendota	$ 92,300		$ 4,615
	Mendota		$ 30,300	$ 1,515
Ohio	Princeton	$ 92,300		$ 4,615
	Princeton		$ 30,300	$ 1,515
Princeton	Sheffield	$ 92,300		4,615

Sheffield	Kewanee	$	92,300			$	4,615
	Kewanee			$	30,300	$	1,515
Kewanee	Geneseo	$	92,300			$	4,615
	Geneseo			$	30,300	$	1,515
Kewanee	Galva	$	92,300			$	4,615
	Galva			$	30,300	$	1,515
Galva	Galesburg	$	92,300			$	4,615
	Galesburg			$	30,300	$	1,515
Galesburg	Monmouth	$	92,300			$	4,615
	Monmouth			$	30,300	$	1,515
Dixon	Amboy	$	92,300			$	4,615
	Amboy			$	30,300	$	1,515
Monmouth	Mercer	$	92,300			$	4,615
	Mercer			$	30,300	$	1,515
Pekin	Hopedale	$	92,300			$	4,615
	Hopedale			$	30,300	$	1,515
Paxton	Gibson City	$	92,300			$	4,615
	Gibson City			$	30,300	$	1,515
Paxton	Cissna Park	$	92,300			$	4,615
	Cissna Park			$	30,300	$	1,515
Cissna Park	Hoopeston	$	92,300			$	4,615
	Hoopeston			$	30,300	$	1,515
Lincoln	Clinton	$	92,300			$	4,615
	Clinton			$	30,300	$	1,515
Macomb	Table Grove	$	92,300			$	4,615
	Table Grove			$	30,300	$	1,515
Table Grove	Astoria	$	92,300			$	4,615
	Astoria			$	30,300	$	1,515
Astoria	Rushville	$	92,300			$	4,615
	Rushville			$	30,300	$	1,515
Astoria	Mason	$	92,300			$	4,615
	Mason			$	30,300	$	1,515
Jacksonville	Winchester	$	92,300			$	4,615
	Winchester			$	30,300	$	1,515
Winchester	Pittsfield	$	92,300			$	4,615
	Pittsfield			$	30,300	$	1,515
Springfield	Taylorville	$	92,300			$	4,615
	Taylorville			$	30,300	$	1,515
Taylorville	Pana	$	92,300			$	4,615
	Pana			$	30,300	$	1,515

Effingham	Newton	$	92,300			$	4,615
	Newton			$	30,300	$	1,515
Newton	Robinson	$	92,300			$	4,615
	Robinson			$	30,300	$	1,515
Litchfield	Hillsboro	$	92,300			$	4,615
	Hillsboro			$	30,300	$	1,515
Hillsboro	Vandalia	$	92,300			$	4,615
	Vandalia			$	30,300	$	1,515
Litchfield	Carlinville	$	92,300			$	4,615
	Carlinville			$	30,300	$	1,515
Carlinville	Greenfield	$	92,300			$	4,615
	Greenfield			$	30,300	$	1,515
Greenfield	Carrollton	$	92,300			$	4,615
	Carrollton			$	30,300	$	1,515
Salem	Flora	$	92,300			$	4,615
	Flora			$	30,300	$	1,515
Flora	Fairfield	$	92,300			$	4,615
	Fairfield			$	30,300	$	1,515
Flora	Olney	$	92,300			$	4,615
	Olney			$	30,300	$	1,515
Olney	Lawrenceville	$	92,300			$	4,615
	Lawrenceville			$	30,300	$	1,515
Lawrenceville	Mount Carmel	$	92,300			$	4,615
	Mount Carmel			$	30,300	$	1,515
Breese	Highland	$	92,300			$	4,615
	Highland			$	30,300	$	1,515
Breese	Nashville	$	92,300			$	4,615
	Nashville			$	30,300	$	1,515
Nashville	Pinckneyville	$	92,300			$	4,615
	Pinckneyville			$	30,300	$	1,515
Nashville	Sparta	$	92,300			$	4,615
	Sparta			$	30,300	$	1,515
Sparta	Chester	$	92,300			$	4,615
	Chester			$	30,300	$	1,515
Sparta	Red Bud	$	92,300			$	4,615
	Red Bud			$	30,300	$	1,515
Pinckneyville	DuQuoin	$	92,300			$	4,615
	DuQuoin			$	30,300	$	1,515
DuQuoin	Murphysboro	$	92,300			$	4,615
	Murphysboro			$	30,300	$	1,515

Centralia	Mount Vernon	$	92,300			$	4,615
	Mount Vernon			$	30,300	$	1,515
Mount Vernon	McLeansboro	$	92,300			$	4,615
	McLeansboro			$	30,300	$	1,515
McLeansboro	Eldorado	$	92,300			$	4,615
	Eldorado			$	30,300	$	1,515
Mount Vernon	Benton	$	92,300			$	4,615
	Benton			$	30,300	$	1,515
					Maintenance	**$**	**383,160**

APPENDIX II

JUNE 30, 2008 QUARTERLY REPORT

1. Project Contact and Coordination Information

a. Identify the project leader(s) and respective business affiliations.

Alan Kraus
Project Coordinator

Illinois Rural HealthNet
Executive Director
Broadband Development Group
Northern Illinois University

b. Provide a complete address for postal delivery and the telephone, fax, and e-mail address for the responsible administrative official.

1120 E. Diehl Road, Suite 140
Naperville, IL 60563
815-753-8945
Fax 815-753-8940
akraus@niu.edu

c. Identify the organization that is legally and financially responsible for the conduct of activities supported by the award.

Illinois Rural HealthNet (State of Illinois Not for Profit Corporation)

d. Explain how project is being coordinated throughout the state or region.

The Illinois Rural HealthNet (IRHN) is a State of Illinois Not for Profit corporation, and our application for 501(c)3 status is in progress. The IRHN consists of the following member organizations/hospitals at this time:

- Northern Illinois University
- Illinois Critical Access Hospital Network (ICAHN)
- Tri-Rivers Health Network
- Metropolitan Research and Education Network (MREN)
- Illinois State University (ISU)
- Janet Wattles Center
- Ben Gordon Center
- Sinnissippi Center
- Delnor Hospital
- University of Illinois Urbana-Champaign Extension
- University of Illinois Urbana-Champaign College of Medicine
- Carle Foundation Hospital
- Southern Illinois University

The IRHN is committed to adding new organizations and hospitals, and has been actively working with various entities within the State of Illinois toward that end.

An Executive Committee has been established, in addition to five standing subcommittees, to coordinate the implementation of the IRHN. The five subcommittees are:

- Medical and Health Applications
  - Existing and new applications
  - Areas of collaboration
  - Training
- Education and Outreach
  - Getting the word out
  - Identifying and addressing areas of need
- Technology
  - Network capabilities
  - Network expansion
  - Disaster recovery and resumption of business
- Sustainability
  - Existing sources of funding
  - New sources of funding
- Management and Organization
  - Staffing the not-for-profit organization
  - Implementing the IRHN work plan
  - Tracking and addressing public policy issues

On the technical side, the network will consist of fiber backbone and some fiber laterals, combined with point to point wireless to connect locations where use of fiber is not cost effective. We are currently meeting with fiber, wireless, and telecommunication companies to gather information for the final network design.

Additional information is available at our website: www.niu.edu/irhn/

2. Identify all health care facilities included in the network.

a. Provide address (including county), zip code, Rural Urban Commuting Area (RUCA) code (including primary and secondary), six-digit census tract, and phone number for each health care facility participating in the network. *Please see listings below.*

b. i. All of the locations listed are public;
ii. All of the locations listed are not-for-profit;
iii. To the best of our knowledge at this time, all of the health care facilities are eligible health care providers, as defined in Paragraph 18 of the Rural Health Care Pilot Program Order. All of our locations are either:

- Post-secondary educational institutions offering health care instruction, teaching hospitals, and medical schools;
- Community mental health centers;
- Not-for-profit hospitals;
- Rural health clinics;
- Consortia of health care providers.

Specific designations for entities are inserted following their listing below:

	Facility/ Phone Number	*Address*	*City/ County*	*ZIP*	*RUCA/ Census Tract*
	ILLINOIS CRITICAL ACCESS HOSPITAL NETWORK (ICAHN)				
1.	Thomas H. Boyd Memorial Hospital 217-942-6846	800 School St.	Carrollton Greene	62016	10.6 9740.00
2.	John and Mary E. Kirby Hospital 217-762-2115	1111 N. State	Monticello Pratt	61856	7.1 9546.00
3.	Galena-Stauss Hospital 815-777-1340	215 Summit St.	Galena Jo Daviess	61036	7.3 0203.00
4.	Dr. John Warner Hospital 217-935-9571	422 W. White St.	Clinton DeWitt	61727	7.3 9717.00
5.	Mercer County Hospital 309-582-5301	409 NW 9th Ave.	Aledo Mercer	61231	7.3 0403.00
6.	Community Memorial Hospital 618-635-2200	400 Caldwell	Staunton Macoupin	62088	9.1 9572.00
7.	Memorial Hospital 217-357-3131	402 S. Adams St.	Carthage Hancock	62321	7 9538.00
8.	Pinckneyville Community Hospital 618-357-2187	101 N. Walnut St.	Pinckneyville Perry	62274	7 0302.00
9.	Washington County Hospital 618-327-8236	705 S. Grand St.	Nashville Washington	62263	7 9503.00
10.	Eureka Community Hospital 309-467-2371	101 S. Major St.	Eureka Woodford	61530	7.1 0306.01
11.	Mendota Community Hospital 815-539-7461	1315 Memorial Dr.	Mendota LaSalle	61342	7.4 9619.00
12.	Fairfield Community Hospital 618-842-2611	303 NW 11th St.	Fairfield Wayne	62837	7 9552.00
13.	Rochelle Community Hospital 815-562-2181	900 N. 2nd St.	Rochelle Ogle	61068	4.2 9611.00
14.	Mason District Hospital 309-543-4431	615 N. Promenade	Havana Mason	62644	7 9565.00
15.	This line intentionally left blank				

16.	Illini Community Hospital 217-285-2113	640 W. Washington	Pittsfield Pike	62363	7 9527.00
17.	Hoopeston Community Hospital 217-283-5531	701 E. Orange St.	Hoopeston Vermilion	60942	7.3 0102.00
18.	Gibson Area Hosp & Health Services 217-784-4251	1120 N. Melvin St.	Gibson City Ford	60936	7.3 9620.00
19.	Community Med Center of Western IL 309-734-3141	1000 W. Harlem Ave.	Monmouth Warren	61462	4 8704.00
20.	Hammond-Henry Hospital 309-944-6431	600 N. College Ave.	Geneseo Henry	61254	7.3 0303.00
21.	Paris Community Hospital 217-465-4141	721 E. Court St.	Paris Edgar	61944	7 0704.00
22.	Franklin Hospital 618-439-3161	201 Bailey Lane	Benton Franklin	62812	7 0405.00
23.	Massac Memorial Hospital (pending) 618-524-2176	28 Chick St.	Metropolis Massac	62960	7.4 9702.00
24.	Abraham Lincoln Memorial Hospital 217-732-2161	315 8th St.	Lincoln Logan	62656	4.2 9534.00
25.	Ferrell Hospital 618-273-3361	1201 Pine St.	Eldorado Saline	62930	7.4 9551.00
26.	Kewanee Hospital 309-853-3361	719 Elliott St.	Kewanee Henry	61443	4 0309.00
27.	Hamilton Memorial Hospital District 618-643-2361	611 S. Marshall Ave.	McLeansboro Hamilton	62859	7.4 9731.00
28.	Wabash General Hospital 618-262-8621	1418 College Drive	Mt. Carmel Wabash	62863	7 9573.00
29.	Hardin County General Hospital (pndg) 618-285-6634	6 Ferrell Rd.	Rosiclare Hardin	62982	10.5 9709.00
30.	Morrison Community Hospital 815-772-4003	303 N. Jackson St.	Morrison Whiteside	61270	7.4 0002.00
31.	Hopedale Medical Complex 309-449-3321	107 Tremont St.	Hopedale Tazewell	61747	3 0220.00
32.	Marshall Browning Hospital 618-542-2146	900 N. Washington	Du Quoin Perry	62832	7 0306.00
33.	Hillsboro Area Hospital 217-532-5611	1200 E. Tremont	Hillsboro Montgomery	62049	7 9579.00

34.	Sarah D. Culbertson Mem. Hospital 217-322-4321	238 S. Congress	Rushville Schuyler	62681	7 9702.00
35.	St. Joseph Memorial Hospital 618-684-3156	2 S. Hospital Dr.	Murphysboro Jackson	62966	5 0104.00
36.	St. Joseph's Hospital 618-654-7421	1515 Main St.	Highland Madison	62249	7.1 4036.02
37.	Mercy Harvard Hospital 815-943-5431	901 Grant St.	Harvard McHenry	60033	7.3 8703.00
38.	Perry Memorial Hospital 815-875-2811	530 Park Ave. East	Princeton Bureau	61356	7 9654.00
39.	Memorial Hospital 618-826-4581	1900 State St.	Chester Randolph	62233	7 9513.00
40.	St. Vincent Memorial Hospital 217-824-3331	201 E. Pleasant St.	Taylorville Christian	62568	4.2 9583.00
41.	Valley West Hospital 815-786-8484	11 E. Pleasant Ave.	Sandwich DeKalb	60548	2 0020.00
42.	Pana Community Hospital 217-562-2131	101 E. 9th St.	Pana Christian	62557	7.4 9588.00
43.	Union County Hospital District (pndg) 618-833-4511	517 N. Main St.	Anna Union	62906	7 9504.00
44.	Crawford Memorial Hospital 618-544-3131	1001 N. Allen St.	Robinson Crawford	62454	7 9803.00
45.	Lawrence County Hospital 618-943-1000	2200 W. State St.	Lawrenceville Lawrence	62439	7.4 9811.00
46.	Salem Township Hospital 618-548-3194	1201 Ricker Rd.	Salem Marion	62881	7.4 9520.00
47.	Fayette County Hospital 618-283-1231	650 W. Taylor St.	Vandalia Fayette	62471	7 9508.00
48.	Carlinville Area Hospital 618-662-2131	1001 E. Morgan St.	Carlinville Macoupin	62626	7 9564.00
49.	Red Bud Regional Hospital 618-282-3831	325 Spring St.	Red Bud Randolph	62278	7.3 9508.00
50.	Sparta Community Hospital 618-443-2177	818 E. Broadway	Sparta Randolph	62286	7.3 9506.00

51.	St. Francis Hospital 217-324-2191	1215 Franciscan Dr.	Litchfield Montgomery	62056	7 9577.00
52.	Clay County Hospital 618-662-2131	699 N. Stanford Ave.	Flora Clay	62839	7 9721.00

NOTE: ALL OF THE ICAHN FACILITIES ARE NOT-FOR-PROFIT HOSPITALS

TRI-RIVERS HEALTH PARTNERS

1.	Swedish American Health System 815-968-4400	1358 4th St.	Rockford Winnebago	61104	1 0012.00
2.	Freeport Memorial Hospital 815-599-6000	1045 W. Stephanson	Freeport Stephenson	61032	4 0011.00
3.	Swedish American Med. Group 815-968-4400	220 W. Blackhawk	Byron Ogle	61010	2 9617.00
4.	Swedish American Med. Group 815-968-4400	5665 N. Junction Way	Davis Junction Ogle	61020	2 9610.00
5.	Rochelle Hospital (also ICAHN) 815-562-2181	900 N. Second St.	Rochelle Ogle	61068	4.2 9611.00
6.	Swedish American Med. Group 815-968-4400	1700 Henry Luckow	Belvidere Boone	61108	1 0101.00
7.	Swedish American Med. Group 815-968-4400	5005 Hononegah Rd.	Roscoe Winnebago	61073	1 0039.04
8.	Freeport Healthcare Center 815-235-3165	3001 Highland View	Freeport Stephenson	61032	4 0010.00
9.	Freeport OT and Chiropractic 815-599-7880	1842A S.West Ave.	Freeport Stephenson	61034	4 0011.00
10.	FHN Family Healthcare Ctr. 815-938-3130	803 First Ave.	Forreston Ogle	61030	10.5 9608.00
11.	FHN Family Healthcare Ctr. 815-239-1400	1301 Main St.	Pecatonica Winnebago	61063	2 0043.00
12.	FHN Family Healthcare Ctr. 815-789-3100	101 W. Main St.	Orangeville Stephenson	61060	5 0002.00
13.	FHN Family Healthcare Ctr. 815-947-3211	109 N. Main St.	Stockton Jo Daviess	61085	10.5 0205.00
14.	FHN Family Healthcare Ctr. 815-369-3300	160 W. Main St.	Lena Stephenson	61048	7.4 0003.00

15.	FHN Family Healthcare Ctr. 815-745-2644	606 Tisdell Ave.	Warren Jo Daviess	61087	10.6 0201.00
16.	FHN Family Healthcare Ctr. 815-244-4181	1120 Healthcare Dr.	Mt. Carroll Carroll	61053	10 9604.00
17.	FHN Family Healthcare Ctr. 815-493-2831	602 W. Olympic Dr.	Lannark Carroll	61046	10.5 9601.00
18.	FHN Family Healthcare Ctr. 815-273-3323	2107 Chicago Ave.	Savanna Carroll	61074	7 9603.00
19.	FHN Family Healthcare Ctr. 815-777-2836	300 Summit St.	Galena Jo Daviess	61036	7.3 0203.00

NOTE: ALL OF THE TRI-RIVERS ENTITIES LISTED IMMEDIATELY ABOVE ARE NOT-FOR-PROFIT HOSPITALS, COMMUNITY HEALTH CENTERS, OR RURAL HEALTH CLINICS

SINNISSIPPI CENTERS (MENTAL HEALTH)

1.	Sinnissippi Ctr. – Dixon 815-284-6611	325 Illinois Rt. 2	Dixon Lee	61021	4 0002.00
2.	Sinnissippi Ctr. – Mt. Carroll 815-244-1376	1122 Healthcare Dr.	Mt. Carroll Carroll	61053	10 9604.00
3.	Sinnissippi Ctr. – Oregon 815-732-3157	125 S. 4th St.	Oregon Ogle	61061	7 9614.00
4.	Sinnissippi Ctr. – Rochelle 815-562-3801	1321 N. 7th St.	Rochelle Ogle	61068	4.2 9611.00
5.	Sinnissippi Ctr. – Sterling 815-625-0013	2611 Woodlawn Rd.	Sterling Whiteside	61081	4 0013.00
6.	Sinnissippi Ctr. – Amboy 815-857-3532	37 S. East Ave.	Amboy Lee	61310	7.4 0008.00
7.	Sinnissippi Ctr. – Morrison 815-772-2114	100 E. Knox St.	Morrison Whiteside	61270	7.4 0002.00

NOTE: ALL OF THE SINNISSIPPI CENTERS ARE COMMUNITY MENTAL HEALTH CENTERS

KISHWAUKEE

Kishwaukee Community Hospital 815-756-1521	626 Bethany Dr.	DeKalb DeKalb	60115	1 0008.00

NOT-FOR-PROFIT HOSPITAL

CARLE

Carle Clinic	301 E. Southline Rd.	Tuscola	61953	7.3
217-253-5231		Douglas		9522.00

NOT-FOR-PROFIT HOSPITAL

ILLINOIS STATE UNIVERSITY

Illinois State University	Campus Box 3500	Normal	61790	1
309-438-7258		McLean		0002.00

POST-SECONDARY INSTITUTION OFFERING HEALTH CARE INSTRUCTION

BEN GORDON CENTER

Ben Gordon Center	12 Health Services Dr.	DeKalb	60115	1
815-756-4875		DeKalb		0008.00
Sandwich Satellite	100 S. Latham, Ste 294	Sandwich	60548	2
815-786-7544		DeKalb		0021.00
Reality House	631 S. First St.	DeKalb	60115	1
815-756-8501		DeKalb		0013.00

NOTE: THE BEN GORDON FACILITIES ARE COMMUNITY MENTAL HEALTH CENTERS

UNIVERSITY OF ILLINOIS URBANA-CHAMPAIGN COLLEGE OF MEDICINE

UIUC College of Medicine	196 Med.Science Bldg.	Urbana	61801	1
217-333-5198	506 S. Mathews	Champaign		0059.00

POST-SECONDARY INSTITUTION OFFERING HEALTH CARE INSTRUCTION

JANET WATTLES CENTER

Janet Wattles Center	526 W. State St.	Rockford	61101	1
815-968-9300		Winnebago		0029.00
Janet Wattles Center	475 Southtown Dr.	Belvidere	61008	1
815-968-9300		Boone		0103.00

THE JANET WATTLES FACILITIES ARE COMMUNITY MENTAL HEALTH CENTERS

DELNOR COMMUNITY HOSPITAL

Delnor Community Hospital	300 Randall Rd.	Geneva	60134	1
630-208-4250		Kane		8256.02

NOT FOR PROFIT HOSPITAL

b. For each participating institution, indicate whether it is:
i. Public or non-public;
ii. Not-for-profit or for-profit;
iii. An eligible health care provider or ineligible health-care provider with an explanation of why the health care facility is eligible under section 254 of the 1996 Act and the Commission's rules or a description of the type of ineligible health care provider entity.

PLEASE SEE LISTING ABOVE. IN EACH SUB-SECTION, THE ELIGIBILITY INFORMATION IS PROVIDED.

3. Network Narrative: In the first quarterly report following the completion of the competitive bidding process and the selection of vendors, the selected participant must submit an updated technical description of the communications network that it intends to implement, which takes into account the results its network design studies and negotiations with its vendors. This technical description should provide, where applicable:

WE ARE STILL IN THE NETWORK DESIGN STUDIES PHASE, AND HAVE NOT BEGUN THE COMPETITIVE BIDDING PROCESS. SHORT ANSWERS ARE PROVIDED BELOW, HOWEVER, FOR USAC'S INFORMATION.

a. Brief description of the backbone network of the dedicated health care network, e.g., MPLS network, carrier-provided VPN, a SONET ring;

   We are focusing on fiber-based backbone services, some fiber laterals where cost effective, and point-to-point wireless for locations where fiber is not feasible or cost effective. We anticipate that the IRHN will be made up of a mix of traditional and non-traditional service providers, as the Pilot Program allows.

b. Explanation of how health care provider sites will connect to (or access) the network, including the access technologies/services and transmission speeds;

   As per our original application, we are anticipating 1Gbps service to locations connected via fiber, and 100Mgbs service for locations connected via point-to-point wireless.

c. Explanation of how and where the network will connect to a national backbone such as NLR or Internet2;

   We anticipate connection to Internet2 in Chicago and possibly a secondary location as well.

d. Number of miles of fiber construction, and whether the fiber is buried or aerial;

   To be determined.

e. Special systems or services for network management or maintenance (if applicable) and where such systems reside or are based.

   To be determined.

4. List of Connected Health Care Providers: Provide information below for all eligible and non-eligible health care provider sites that, as of the close of the most recent reporting period, are connected to the network and operational.

NO HEALTH CARE PROVIDERS ARE CONNECTED AT THIS POINT IN TIME.

a. Health care provider site;
b. Eligible provider (Yes/No);
c. Type of network connection (e.g., fiber, copper, wireless);
d. How connection is provided (e.g., carrier-provided service; self-constructed; leased facility);
e. Service and/or speed of connection (e.g., DS1, DS3, DSL, OC3, Metro Ethernet (10 Mbps);
f. Gateway to NLR, Internet2, or the Public Internet (Yes/No);
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g. Site Equipment (e.g., router, switch, SONET ADM, WDM), including manufacturer name and model number.
h. Provide a logical diagram or map of the network.

5. Identify the following non-recurring and recurring costs, where applicable shown both as budgeted and actually incurred for the applicable quarter and funding year to-date.

Because we have not yet collected most of our matching fund requirements, the IRHN has yet to post any items on the USAC website. As a result, we have no specific information to include here in answer to this question.

a. Network Design
b. Network Equipment, including engineering and installation
c. Infrastructure Deployment/Outside Plant
i. Engineering
ii. Construction
d. Internet2, NLR, or Public Internet Connection
e. Leased Facilities or Tariffed Services
f. Network Management, Maintenance, and Operation Costs (not captured elsewhere)
g. Other Non-Recurring and Recurring Costs

6. Describe how costs have been apportioned and the sources of the funds to pay them:

We are still working with State, federal, local, and not-for-profit organizations to identify the matching funds. As a result, we have not finalized the cost apportionment formulas, as they may be impacted by the sources and the timing of receipt of the matching funds.

a. Explain how costs are identified, allocated among, and apportioned to both eligible and ineligible network participants.
b. Describe the source of funds from:
i. Eligible Pilot Program network participants
ii. Ineligible Pilot Program network participants
c. Show contributions from all other sources (e.g., local, state, and federal sources, and other grants).
i. Identify source of financial support and anticipated revenues that is paying for costs not covered by the fund and by Pilot Program participants.
ii. Identify the respective amounts and remaining time for such assistance.

d. Explain how the selected participant's minimum 15 percent contribution is helping to achieve both the selected participant's identified goals and objectives and the overarching goals of the Pilot Program.

7. Identify any technical or non-technical requirements or procedures necessary for ineligible entities to connect to the participant's network.

To date, we have not identified any ineligible entities that will be connecting to the IRHN. If such entities do emerge that wish to join, and their connection falls within the allowable parameters of the Pilot Project, and such entities are capable of paying their fair share of network costs as dictated in the Pilot Program Order, we would take the appropriate steps to connect such entities.

Technically, the connections would follow the same pattern as the IRHN network.

From an organizational perspective, the IRHN Executive Committee will determine the appropriate procedures to be followed. In general, the control of the IRHN will always be held by the public, not-for-profit members that are eligible entities.

8. Provide on update on the project management plan, detailing:

a. The project's current leadership and management structure and any changes to the management structure since the last data report; and

THE INFORMATION BELOW ADDRESSES THIS QUESTION. WE HAVE ESTABLISHED A STATE OF ILLINOIS NOT FOR PROFIT ORGANIZATION, AND THE BYLAWS BELOW ARE INCLUDED IN OUR APPLICATION FOR FEDERAL 501(C)3 STATUS:

BYLAWS OF THE ILLINOIS RURAL HEALTHNET
(A Not-For-Profit Corporation)

ARTICLE I: OFFICES

The principal office of the Corporation shall be located in the City of Sycamore, County of DeKalb, and State of Illinois. The Corporation may also have such offices at such other places within the State as the Executive Committee may from time to time determine.

ARTICLE II: NAME, PURPOSE, AND SCOPE

Section 2.1 Name: The broadband network that is being established with the benefit of funding from the Federal Communications Commission (FCC) Rural Health Care Pilot Program shall be known as the Illinois Rural HealthNet, and may be referred to as the IRHN in this document, and may also be referred to as the Illinois Rural HealthNet IRHN.

Section 2.2 Purpose: The purpose of the IRHN is to work cooperatively with entities within the State of Illinois to facilitate and assist in the implementation of high-speed data transmission facilities for the provision of advanced telecommunications and information services to public and non-profit health care providers. The types of entities that can be Members include, but are not limited to:

- Public and not-for-profit hospitals, health care clinics, mental health facilities;

- Public and not-for-profit medical, nursing, and other health professional schools and programs;
- Agencies of government;
- Public and not-for-profit educational institutions;
- Public and not-for-profit research and education networks.

Section 2.2.1 The purpose of the IRHN includes the management and oversight of the advanced telecommunications and information services to be provided by Illinois Rural HealthNet. Toward that end, other entities may be asked to respond to procurement documents and/or to develop a mutually agreed upon contractual relationship with the IRHN that describes the agreed-upon duties and obligations to be performed by the other entities.

Section 2.3 Goals and Objectives: The goals and objectives of the Illinois Rural HealthNet include the following:

- To aggregate the specific needs of rural health care in the State of Illinois in order to develop a cost-effective way to procure and deliver advanced telecommunications services and information to these entities.
- To utilize existing networks and technologies to leverage the value that has already been created.
- To develop and implement an effective, sustainable broadband network to link rural health care providers to:
    - advanced telecommunications services and information;
    - rural and urban sources of tele-health and tele-medicine expertise;
    - Internet2 and or the National LambdaRail.
- To improve the quality of health and medical care that can be made available in rural portions of Illinois.

Section 2.4 Scope: The scope of these Bylaws includes the following:

1. The IRHN will provide input to its members on issues pertaining to the improvement of the availability of advanced telecommunications services and information to public and non-profit health care providers within the State of Illinois, particularly in areas designated as rural, and to connect these health care providers to Internet2 and each other.
2. Input could include items such as: a) the identification of health care providers within the State that are interested in or that have need for advanced communications services; b) the identification of potential services and/or applications that benefit rural and underserved populations; and c) the identification of individuals, organizations, or public or private entities that may be interested in participating in the IRHN, or working cooperatively with the IRHN in the implementation of advanced telecommunications services and information in the State.
3. The IRHN has been created as a Not-For-Profit Corporation to work cooperatively with public and non-profit health care providers, with governmental and educational agencies, and with the public and private sectors to identify items such as described in paragraphs 1 and 2 of this Section.
4. The IRHN has the intention of creating a 501(c)3 organization to carry out the functions outlined for the IRHN in these Bylaws.
5. The functions to be carried out by the IRHN include the following:

a. Create and administer the Illinois Rural HealthNet network, including the management structure.
b. Coordinate the aggregation aspects of the IRHN, in terms of organization and management of the aggregated demand for broadband services of the Member health care entities.
c. Continue the outreach to add new health care entities and to solidify the sustainability of the IRHN.
d. Coordinate the technical aspects of the IRHN.
e. Manage the financial aspects of the IRHN.
f. Develop and administer the work plan for implementing, maintaining, growing, and providing financial stability for the IRH.

Section 2.5 Powers: The IRHN shall consider adoption of the following powers, to be decided by action of the Executive Committee and approval by the Members:

(1) To make, amend and repeal bylaws, rules, regulations, rates, charges and other rules of service.
(2) To invest funds not required for immediate disbursement in properties or securities as permitted by Illinois law.
(3) To acquire, purchase, hold, lease and use any property, real or personal or mixed, tangible or intangible, or any interest in such property, necessary or desirable for carrying out the purposes of the IRHN, and to sell, lease, transfer or dispose of any property or interest in such property.
(4) To sue and be sued, complain and defend in all courts, and to appear in or before all applicable federal, state and local governmental agencies.
(5) To enter into joint venture and/or other appropriate business agreements to enable third parties, including individual IRHN members, to build or improve or procure local distribution systems and/or provide high speed communications services to health care entities in historically rural or underserved areas in Illinois and to connect these entities to sources of medical and health expertise in rural and urban areas in Illinois and to Internet2.
(6) To make and execute contracts and other instruments of any name or type necessary or convenient for the exercise of the powers stated in these Bylaws.
(7) To establish the design, plans, and specifications for the IRHN network facilities, as well as to conduct or contract for studies and planning concerning the operation and management of the IRHN network facilities.
(8) To review and approve budgets and expenditures for the IRHN network facilities and related services.
(9) To borrow money and issue evidences of indebtedness pursuant to Illinois law.
(10) To obtain insurance for the IRHN network facilities.
(11) To obtain necessary, easements, permits and other approvals for the construction and operation of the IRHN network facilities, as may be needed.
(12) To apply for and administer grant proceeds and other funding opportunities received from government and other sources and to accept contributions of capital from member agencies and/or from other public and private sources.
(13) To hire consultants and/or employees and/or to contract for the operation and management of the IRHN network facilities and related services.

(14) To do all acts and things necessary or convenient for the conduct of its business and the general welfare of the IRHN and its members and to carry out the purposes and powers granted to it by these Bylaws and permissible under Illinois law.

The IRHN shall not have the power of taxation.

ARTICLE III: MEMBERS

Section 3.1 Initial Members:

The entities listed below, each of which was included in the application to the FCC for Rural Health Care Pilot Program funding, shall be the founding Members of the Illinois Rural HealthNet, unless any of these chooses not to be Members or unless membership shall otherwise have been terminated. The membership of the IRHN may be altered from time to time, as needs may dictate and according to the procedures described herein.

Initial Membership:

- Northern Illinois University
- Illinois Critical Access Hospital Network (ICAHN)
- TriRivers Health Partners
- Metropolitan Research and Education Network (MREN)
- Illinois State University (ISU)
- Janet Wattles Center
- Ben Gordon Center
- Sinnissippi Center
- Delnor Hospital
- University of Illinois Urbana-Champaign College of Medicine
- Carle Foundation Hospital
- Southern Illinois University School of Medicine – Telehealth Networks and Programs

Section 3.2 Members: Members of the IRHN can include public and non-profit health care and health education agencies and organizations, private sector health care organizations and businesses, and public sector agencies that are providing assistance and/or resources for IRHN network development and management.

1. The eligibility and qualifications for membership, and the manner of and admission into membership shall be prescribed by resolutions duly adopted by the Executive Committee of the IRHN or by such rules and regulations as may be prescribed by the Executive Committee. All such rules and regulations relating to Members adopted by the Executive Committee of the IRHN shall be affixed to the Bylaws of the IRHN, and shall be deemed to be a part thereof. Such resolutions or rules and regulations adopted by the Executive Committee may prescribe, with respect to all Members, the amount and manner of imposing and collecting any initiation fees, dues or other fees, assessments, penalties, the manner of suspension or termination of membership, and for reinstatement of membership, and, except as may hereinafter otherwise be provided, the rights, liabilities, and other incidents of membership.

2. The right or interest of a Member shall not terminate except upon the happening of any of the following events: resignation, expulsion, dissolution or liquidation of the IRHN.
3. Meetings: The Annual Meeting of Members of the IRHN shall be held on such date or dates as shall be fixed from time to time by the Executive Committee of the IRHN. The first Annual Meeting shall be held on a date within twelve months after the formation of the IRHN. Each successive Annual Meeting shall be held on a date not more than twelve months following the preceding Annual Meeting. Special Meetings of Members may be held on such date or dates as may be fixed by the Executive Committee from time to time and by the Members on such date or dates as shall be permitted by law.
4. Any Annual or Special Meeting of Members may be held at such place within the State as the Executive Committee may from time to time fix. In the event the Executive Committee shall fail to fix such place or time, or in the event Members are entitled to convene a Special Meeting in accordance with law, then, in such event, such meeting shall be held at the principal office of the IRHN.
5. Annual or Special Meetings of Members may be called by the Executive Committee or by any officer of the IRHN instructed to do so by the Executive Committee, except to the extent that committee members may be required by law to call a meeting, and shall be called by the Secretary on behalf of the Members, when required to do so by law.
6. Written notice, which can be carried out via email to the lead person of each Member, and stating the place, day, and hour of the meeting, shall be given for all meetings. Such notice shall state the person or persons calling the meeting. Notice for an Annual Meeting shall state that the meeting is being called for the purposes and transactions as may properly come before the meeting. Notices of Special meeting shall state the purpose or purposes for which the meeting is called. At any Special Meeting, only the business stated in the Notice of Meeting may be transacted thereat. Notice of meeting shall be given either personally or via email not less than 10 days before nor more than 50 days before the date of the meeting, to each Member at his or her address recorded on the records of the IRHN, or at such other address which the Member may have furnished in writing or via email to the Secretary of the IRHN. Any meeting of members may be adjourned from time to time. In such event, it shall not be necessary to provide further notice of the time and place of the adjourned meeting if announcement of the time and place of the adjourned meeting is given at the meeting so adjourned. In the event the Executive Committee fixes a new record date for an adjourned meeting, a new notice shall be given, in the same manner as herein provided. No notice need be given to any member who executes and delivers a Waiver of Notice before or after the meeting. The attendance of a member in person or by proxy at the meeting without protesting the lack of notice of a meeting, shall constitute a waiver of notice by such member. Any notice of meeting to Members relating to the selection of members, shall set forth any amendments to the Bylaws of the IRHN adopted by the Executive Committee, together with a concise statement of the changes made.
7. At every Annual or Special Meeting, there shall be presented a list or record of Members as of the record date, certified by the officer responsible for its preparation, and upon request there for, any Member who has given written or emailed notice to the IRHN, which request shall be made at least 10 days prior to such Meeting, shall have the right to inspect such list or record at the Meeting. Such list shall be evidence of the right of the persons to vote as such Meeting, and all persons who appear on such list or record to be Members may vote at such Meeting. Members may choose to vote on matters as described in the Annual Reports that are presented at Annual Meetings. On matters that directly concern the funding and certification requirements of the FCC Rural Health Care

Pilot Project, a majority vote of all Members can be overridden by a vote of the Executive Committee, if such a vote override is deemed by the Executive Committee to be necessary in order to remain within the legal guidelines of the FCC Rural Health Care Pilot Program, as specified in the FCC Order adopted November 16, 2007, WC Docket No. 02-60.

8. Annual Report: At each Annual Meeting of Members, the Executive Committee shall present an Annual Report. Such report shall be filed with the records of the IRHN and entered into the minutes of the proceedings of such Annual Meetings of Members. Such Annual Report shall have, at least for the first four Annual Meetings, two Parts, defined as follows:
    a. Part One: On Matters Directly Concerning the FCC Rural Health Care Pilot Project. Part One shall deal with those items for which FCC certification is required, including the Pilot Project procurement, reporting, and audit processes.
    b. Part Two: On Other Matters. Part Two shall deal with items that do not involve FCC Rural Health Care Pilot Program funding and/or certification.
9. Officers and Procedures: Meetings of the Members shall be presided over by the following officers, in order of seniority: Director, Assistant Director, Secretary, and such other officers and with such term designations as the Executive Committee may initially designate, and which shall be approved by Members at the Annual Meetings, or Members may propose alternate officers at that time, which shall be voted upon by all Members present, according to the procedures outlined herein.
10. The order of business at all meetings of Members shall be as follows:
    a. Roll call
    b. Reading of Minutes of preceding minutes, or approval thereof if previously circulated
    c. Report of standing committees
    d. Officers' reports
    e. Old business
    f. New business
11. Every Member may authorize another person to act for him/her by proxy in all matters in which a Member may participate, including waiving notice of any meeting, voting or participating in a meeting, or expressing consent or dissent without a meeting. Every proxy shall be signed by the Member or his/her attorney in fact, and shall be revocable at the pleasure of the Member executing it, except as otherwise provided by law. Except as otherwise provided by law, no proxy shall be valid after the expiration of eleven months from its date.
12. Except as provided by law, the Members entitled to cast a majority of the total number of votes entitled to be cast at the Meeting, shall constitute a quorum at a Meeting of Members for the transaction of business. The Members present may adjourn the Meeting despite the absence of a quorum. Each membership shall entitle the holder thereof to one vote. Except to the extent provided by law, or as required by the legal procedures and certifications as specified in the FCC Rural Health Care Pilot Program, Order of November 16, 2007, WC Docket No. 02-60, all other action shall be by a majority of the votes cast, provided that the majority of affirmative votes cast shall be at least equal to a quorum. Whenever the vote of members is required or permitted, such action may be taken without a Meeting on the written consent setting forth the action taken, signed by all the Members entitled to vote.

a. On matters that concern the legal and certification requirements of the FCC Rural Health Care Pilot Program, the procedures as outlined in Article III, Section 3.2, Paragraph 7 shall apply.

13. If need be, the Executive Committee shall fix a record date for the purpose of determining members entitled to notice of, to vote, to express consent or dissent from any proposal without a meeting, to determine members entitled to receive distributions or allotment of rights, or for any other proper purpose.

ARTICLE IV: EXECUTIVE COMMITTEE

Section 4.1 The IRHN shall be managed by an Executive Committee. Each Committee member shall be at least 21 years of age, and shall be a Member of the IRHN during his/her Executive Committee membership. The initial Executive Committee shall consist of six persons. Thereafter, the number of directors constituting the Committee shall be no less than six. Subject to the foregoing, the number of members of the Executive Committee may be fixed from time to time by action of the members of the Committee. The number of Committee members may be increased or decreased by action of the Committee members, provided that any action by the Executive Committee to effect such increase or decrease shall require a vote of a majority of the entire Executive Committee. No decrease shall shorten the term of any Committee member then in office.

Section 4.2 The first Executive Committee shall consist of those persons elected by the Incorporator or named as the initial Executive Committee in the certificate of Incorporation of the IRHN, and they shall hold office for an initial term of not more than three years. However, the Executive Committee shall designate staggered terms, of either one, or two, or three years, for members of the Executive Committee for the purpose of continuity. After the initial one-year, two-year, and three-year terms end, their successors shall be elected by the Executive Committee to serve three-year terms, after which time their successors shall serve one-year terms. Each Committee member shall hold office until the expiration of the term for which he/she was elected, and until his/her successor has been elected and qualified, or until his/her prior resignation.

Section 4.3 Newly created memberships or vacancies in the Executive Committee may be filled by a vote of a majority of the Committee members then in office, although less than a quorum, unless otherwise provided in the Certification of Incorporation of the IRHN. Vacancies occurring by reason of the removal of Committee members without cause shall be filled by a vote of the Committee members. Committee members elected to fill a vacancy caused by resignation, death, or removal shall be elected to hold office for the unexpired term of his/her predecessor.

Section 4.4 A regular Annual Meeting of the Executive Committee shall be held shortly before and subsequent to the Annual Meeting of Members. All other Executive Committee meetings, including prior to the first Annual Meeting, shall be held at such time and place as shall be fixed by the Executive Committee from time to time.

1. No notice shall be required for regular meetings of the Executive Committee for which the time and place have been fixed. Special meetings, which may include video and/or teleconference calls, may be called by or at the direction of the Director, or by a majority of the Executive Committee members then in office.

2. Written, email, oral, or any other method of notice of the time and place shall be given for special meetings of the Executive Committee in sufficient time for the convenient assembly of the Committee, which can include video and/or teleconference calls.

Section 4.5 Except to the extent herein, a majority of the entire members of the Executive Committee shall constitute a quorum. Whenever a vacancy on the Committee shall prevent a quorum from being present, then, in such event, the quorum shall consist of a majority of the members of the Executive Committee excluding the vacancy. A majority of the Committee members present, whether or not a quorum is present, may adjourn a meeting to another time and place. The actions taken by the Executive Committee shall be by a majority of the Committee members present or voting by proxy at the time of the vote, a quorum being present at such time or thereby. In the event of a tie vote, the Committee members shall seek acceptable alternatives upon which to vote, with the following exception:

1. On matters that directly concern the funding and certification requirements of the FCC Rural Health Care Pilot Project, as specified in the FCC Order adopted November 16, 2007, WC Docket No. 02-60, the Lead Participant as named in the Illinois Rural HealthNet documentation with the Universal Service Administrative Corporation (USAC), who is also named to the first Executive Committee, shall have a second vote in the event of a tie vote of the Executive Committee. This arrangement shall last only as long as funding is being received from, and certifications related to such funding are required by, USAC as part of their administration of the FCC Rural Health Care Pilot Program.

Any action authorized by resolution, in writing, by all the Committee members entitled to vote thereon and filed with the minutes of the corporation shall be the act of the Executive Committee with the same force and effect as if the same had been passed by unanimous vote at a duly called meeting of the Committee.

Section 4.6 The Director shall preside at all meetings of the Executive Committee, or, in his absence, the Assistant Director or Secretary, or, in their absence, any other member chosen by the Executive Committee.

Section 4.7 The Executive Committee may designate, from their number and from Members of the IRHN, standing committees and/or special committees to address relevant topics. Such committees shall have such authority as the Executive Committee may delegate, except to the extent prohibited by law.

ARTICLE V: OFFICERS

Section 5.1 The Executive Committee may elect or appoint a Director, an Assistant Director, a Secretary, and a Treasurer, and such other officers as they may determine. Any two or more offices may be held by the same person except the office of Director and Secretary.

Section 5.2 Each officer shall hold office until the Annual Meeting of the Executive Committee, and until his successor has been duly elected and qualified. The Executive Committee may remove any officer with or without cause at any time.

Section 5.3 The Director shall be the chief executive officer of the IRHN, shall have responsibility for the general management of the affairs of the IRHN, and shall carry out resolutions of the Executive Committee.

1. During the absence or disability of the Director of the IRHN, the Assistant Director shall have all the powers and functions of the President.
2. The Secretary shall keep the minutes of the Executive Committee and the minutes of the Annual Meetings. He/she shall serve all notices for the IRHN which have been duly authorized by the Executive Committee, and shall have charge of all books and records of the IRHN.

ARTICLE VI: NEW MEMBERS

Section 6.1 Additional public and non-profit healthcare entities, and additional governmental, educational, and other entities of the public sector, may become Members of the IRHN upon the recommendation of a majority vote of the IRHN, and such membership shall require adoption of an enabling resolution duly authorizing membership in the IRHN and execution of these Bylaws, and may require payment of such sums and under such conditions as may be set forth by the IRHN.

Section 6.2 Public, private, or for-profit entities may become Affiliate Members of the IRHN upon the recommendation of a majority vote of the IRHN. Affiliate Members do not have voting rights, and such membership shall require adoption of an enabling resolution or equivalent duly authorizing affiliate membership in the IRHN and execution of these Bylaws, and may require payment of such sums and under such conditions as may be set forth by the IRHN.

1. Non-voting Affiliate Membership is the vehicle by which private and for-profit health care entities can participate in the IRHN and can be included in selected discussions. Non-voting Affiliate Membership does not allow such private and for-profit health care Members to vote in IRHN proceedings, but does allow such Members to indicate their preferences in discussions and in the preparation of recommendations. Non-voting Affiliate Membership requires that private and for-profit health care entities pay their own costs of connecting to the IRHN and pay their fair share of the IRHN Network's costs.

ARTICLE VII: FINANCE

Section 7.1 The Fiscal Year for the IRHN shall be established as July 1 to June 30 of the following year.

Section 7.2 There may be special assessments and/or annual dues, to be determined by the Executive Committee. Any assessments or fees that would affect IRHN Members would be subject to a vote of such Members. No Member or health care participant would be required to respond to special assessments or annual dues without their consent.

Section 7.3 In furtherance of the IRHN objectives, the IRHN anticipates initiating projects such as leasing, construction, and/or purchase of required facilities and infrastructure. Such projects may be financed by FCC funding, donations, grants, in-kind contributions of Members, re-allocated costs of Members, capital contributions of Members, and/or, subject to Section 7.5,

issuance of debt. Issuance of debt is envisioned primarily as a vehicle for procuring equipment or services in a scenario where FCC funding has been guaranteed and an invoice from the equipment and/or service provider must be submitted to the Federal government for reimbursement, according to the processes outlined by the Universal Service Administration Company (USAC), as indicated by the FCC Order concerning the Rural Health Care Pilot Program. Affiliate Members will be responsible for paying their fair share of costs for connection to the IRHN network, because of their status as private or for-profit entities.

Section 7.4 The Director shall research and recommend an operating budget, based on the principles outlined in this Article VII. The Executive Committee and the Members shall review and approve the final budget.

Section 7.5 No individual Member may be required to sponsor or underwrite any debt issue without the express approval by resolution or equivalent of the Member's governing body.

Section 7.6 The IRHN shall ensure that an annual financial report and/or annual independent audit be performed on behalf of the IRHN. A copy of the report or audit shall be provided to each Member. In addition, Members shall have access to all contracts, documents, records, and information relating to the IRHN network facilities and associated services.

ARTICLE VIII: PROPERTY AND EQUIPMENT

Section 8.1 All property and equipment that is purchased with funds provided by the FCC shall be owned by the IRHN.

1. Co-located Equipment: Equipment that is owned by participating public sector agencies may be co-located in facilities owned by public sector or private sector entities, or in facilities that provide services, by mutual agreement between the IRHN, the public sector agency that owns the equipment, and the owner of the facilities. If such an arrangement is created, each party shall be self-insured, and each party will take all reasonable precautions to prevent disruption to the other party's operations. The owner of the facility will at all times be in full control of the facility, but will make reasonable arrangements to allow access to the facility by the IRHN or its designated representatives.
2. Transfer of Equipment: If, by mutual agreement, any public sector entity and the IRHN decide at some future time to transfer ownership and/or management of equipment to the IRHN, or to an entity designated by the IRHN, the public sector entity and the IRHN will discuss the means and procedures for such transfer.

Section 8.2 Any property and/or equipment that is loaned by the IRHN to any entity, or loaned by any entity to the IRHN, shall remain the property of the loaning party and be fully insured by the loaning party.

ARTICLE IX: LIABILITY AND INDEMNIFICATION

Section 9.1 No Member to these Bylaws is responsible for any claims made against any other Member.

Section 9.2 Each and every party to this Agreement shall indemnify, defend, save and hold harmless the other parties, their boards, IRHN, trustees, officers, employees, and agents from and against any and all claims, actions, suits, costs, losses, liabilities, damages to real and personal property, and injuries to or death suffered by persons arising out of, or caused directly or indirectly by any act or omission of the indemnifying party or that party's boards, IRHN, trustees, officers, employees, and agents. Each party agrees to be responsible for damage to its property occasioned while operating under these Bylaws and specifically waives the right of subrogation for property damage against the other.

Section 9.3 Except as otherwise expressly stated in these Bylaws, each Member agrees to be severally liable for its share of the financial obligations resulting from such contracts, agreements, or other obligations pertaining to each Member's involvement in the IRHN network, as may be agreed to as part of each Member's written understanding of its specific role.

ARTICLE X: DISSOLUTION

Members are not constrained from resigning from the IRHN, or deciding to vote on the future role of the IRHN or the absence thereof.

ARTICLE XI: MISCELLANEOUS PROVISIONS

Section 11.1 The IRHN shall keep at the principal office of the Corporation, or at other such locations as may be approved by the Executive Committee, complete and correct records and books of account, and shall keep topical minutes of the proceedings of the Members, of the Executive Committee, and of committees appointed by the Executive Committee, as well as a list or record containing the names and addresses of all Members.

Section 11.2 All Bylaws of the IRHN shall be subject to alteration or repeal, and new bylaws may be made, by a majority vote of the Executive Committee, subject to approval by the Members.

Section 11.3 These Bylaws shall, in general, be governed by and construed in accordance with the laws of the State of Illinois.

Section 11.4 These Bylaws are for the benefit of the parties in interest and shall not be deemed to give any legal or equitable right, remedy, or claim to any other entity or person. These Bylaws cannot be assigned or delegated without the prior written consent of all the Members.

8.b.

In the first quarterly report, the selected applicant should provide a detailed project plan and schedule. The schedule must provide a list of key project deliverables or tasks, and their anticipated completion dates. Among the deliverables, participants must indicate the dates when each health care provider site is expected to be connected to the network and operational. Subsequent quarterly reports should identify which project deliverables, scheduled for the

previous quarter, were met, and which were not met. In the event a project deliverable is not achieved, or the work and deliverables deviate from the work plan, the selected participant must provide an explanation.

THE INFORMATION BELOW ADDRESSES THESE ITEMS.

In the IRHN organizational structure, we have established an Executive Committee that includes a Technical Subcommittee, which is involved with the detailed technical planning and schedule. We have provided the following information in answer to this part of the Quarterly Report:

- Charter and Tasks of the Technical Subcommittee.
- Detailed Project Plan (we call it Work Plan) to implement the IRHN.
- Schedule

PROJECT PLAN

IRHN Technical Subcommittee

Charter and Tasks

The charter and tasks of the IRHN Technical Subcommittee are drawn largely from the grant application that was submitted to the FCC Rural Health Care Pilot Program, and received $21 million in funding over a three-year period.

Charter:

The Technical Subcommittee will be directly involved in supervising the procurement, acquisition, and implementation of the broadband IRHN services. This includes development, oversight, and implementation of appropriate contracting procedures for equipment, services, maintenance, operations, and billing. The Technical Subcommittee will perform duties, including those listed below, to enable the process by which telecommunications services and information are enhanced for health care entities located in rural areas of Illinois:

1. Gather input on broadband needs for rural health care entities.
2. Identify public sector assets and resources that can be used in project implementation.
3. Assist in the functioning of the IRHN vis-à-vis the FCC and USAC.
4. Develop technical specification and procurement documents.
5. Develop business models for network outsourcing and oversight.
6. Provide recommendations on distribution and oversight of funding.
7. Provide recommendations on contractual arrangements and on parties to the contract(s).
8. Provide oversight and management of implementation, as appropriate, including designation of milestones and deliverables, and recommendations for payment to outsourced network vendors.
9. Provide recommendations on strategic direction and growth.

Operational Activities: As a key operational arm of the IRHN, the Technical Subcommittee will make recommendations on matters concerning the following:

(a) Subject to the budget adopted by the Executive Committee, purchasing, renting or leasing such real property, facilities, equipment, and materials as may be necessary or

desirable for acquiring, constructing, operating, maintaining, and repairing the IRHN Network.

(b) Administering the construction, maintenance, and operation of the IRHN Network.

(c) Acting as the fiscal agent for the IRHN by preparing budgets and approving expenditures for the IRHN Network; preparing annual financial reports for the operation of the IRHN Network; preparing fees and expenses incurred in the acquisition, construction, leasing, operation, and maintenance of the IRHN Network; billing and collecting from each party its respective share of the costs and expenses of the IRHN Network; and generally handling the financial matters affecting the IRHN Network.

(d) Obtaining insurance, if necessary, for the IRHN Network facilities and the Members' activities relating to the IRHN Network.

(e) Obtaining necessary easements, permits, and other approvals for construction and operation of the IRHN Network facilities.

Limitations on Authority: All contracts and expenditures shall be subject to the annual budget adopted by the Members, to be reviewed quarterly.

Work Plan for the Illinois Rural HealthNet

Note: Many of the following phases and tasks will occur in parallel, and/or on an ongoing basis.

Phase 1

Establishment of the IRHN 501(c)3 Organization

In conjunction with the IRHN Executive Committee and the Management and Organization Subcommittee, the Technical Subcommittee will assist to:

1. Finalize language for the IRHN Bylaws and Agreement.
2. Prepare and submit application documents.
3. Establish recommendations for ongoing staff assistance, as appropriate.

Phase 2

Operational Steps

1. Confirm each of the participating health care organization's and location's communications systems, needs, and procedures.
2. Finalize documentation of the areas of Illinois that must be linked by the initial IRHN.
3. Confirm the fiber optic, public, and private infrastructure resources that are available to be used to offer fiber, wireless, or other connectivity within each of the regions.
4. Identify the specific points of connectivity for each participating organization and location.

Confirm Partnering Agencies

5. Confirm the partnering non-health care agencies (such as the Municipal Research and Education Network) and identify any new agencies that may express interest in participating in the network.

6. Work with public sector entities to document their plans to install fiber along selected routes.
7. Finalize budget estimates for the fiber optic and wireless connectivity of the project to link the participants in the network to public sector fiber.
8. Working with each participant, develop the needs and costs for data connectivity, bandwidth requirements, logical connectivity, and security needs for each participant.
9. Develop and recommend technical and operational procedures to define the relationship between original members of the IRHN and any new participants.

Phase 3

Fiber Optic and Wireless Corridors

1. Provide coordination between public sector fiber and wireless resources and the needs of the IRHN topology.
2. Finalize the routes, fiber optic and wireless characteristics, technology and construction standards to allow interconnection between all segments.
3. Work with equipment vendors and service providers (as appropriate) throughout the implementation process in an oversight role. This will require evaluation of the vendors' project plans, periodic visits to the job sites to inspect installation processes and to monitor progress.
4. Provide periodic monitoring of the final testing and certification processes for fiber and wireless network elements and/or services elements. Insure that the final system characteristics will meet the needs of the IRHN organization.
5. Gather and review all as-built documentation and integrate into a package suitable for future reference by IRHN to support plans for expansion to the current and future members of the organization.

Phase 4

Establish Member Links

1. Provide coordination and guidance (as may be needed) for each participant in the IRHN.
2. Provide advice on last mile links and terminating equipment.
3. Aggregate the needs of all organizations and locations by technology platform and develop procurement vehicles.
3. Work with the appropriate procurement organizations to issue the procurement documents.
4. Provide a leadership role in the procurement process, including vendor meetings, receiving questions, and providing vendor feedback.
5. Develop the evaluation procedures, facilitate the evaluation process, and assist in preparation of a brief report outlining the decision of the selection committee.
6. Work with the selected vendor(s) throughout the implementation process in an oversight role.
7. Provide periodic monitoring of the final testing and certification processes. Gather all test results, perform final reviews, and integrate into a package suitable for future reference.
8. Gather and review all as-built documentation and integrate into a package suitable for future reference.

Phase 5

Illinois Rural HealthNet Startup

1. Coordinate the startup processes between the technologists within each of the member organizations. This includes the development of specifications for link characteristics, addressing, protocol, and security requirements that will allow seamless connectivity between the participants and their specific target locations while also providing appropriate levels of security.
2. Document the overall configuration of the network, and also the configurations of the separate sub-networks, for establishing operational procedures.

Phase 6

Maintenance Phase

1. Document maintenance responsibilities for all logical segments of the network. This will include name, contact, contact number, area of responsibility, contract coverage hours, emergency response commitments, and escalation procedures.
2. Service Level Agreements will be established for the IRHN as a whole, and with individual equipment and service providers, as needed.

Phase 7

Implementation of the Financial and Business Model

In conjunction with the Executive Committee, the Management and Organization Subcommittee, and the Sustainability Subcommittee, the Technical Subcommittee will assist to:

1. Finalize partnership and financial arrangements for IRHN network users and for public sector entities providing network resources.
2. Finalize cost structures for equipment purchases and for purchasing telecommunications services to be provided by private sector.
3. Establish structures to fulfill FCC and USAC requirements for network and financial reporting.
4. Finalize budget and cash flow requirements.
5. Assign responsibilities for conducting cost reimbursement, cost tracking, and for billing any for-profit users of the IRHN.
6. Seek additional funding as may be made available.
7. Seek to establish the financial sustainability of the IRHN, by aggregating Network users and re-allocating their communications costs to provide operating funds for the IRHN, and, as directed by the IRHN Executive Committee, by marketing the IRHN to eligible entities within the State of Illinois.

PROJECT SCHEDULE – UPDATE FOR JUNE 30 QUARTERLY REPORT
(Starting date for this schedule is January, 2008)

Illinois Rural HealthNet
Project Schedule for Network Construction

Task Name	Duration	Month
Overall Project Duration	42 Months	42

Committee Formation	completed	3
Formation of Legal Organization(s)	State	Done
Submitting 501c(3) within month		
Contracts Processed	24	May2010
Work Complete	42	42

Design Functions Northern Illinois

Verification of obtainable long haul fiber routes	12 mos	12
Verification of Municipal Resources for wireless	18 mos	18
Municipal Contracts for wireless	18 mos	18
Network Design Approach	8 mos	8
IRU contracts	16 mos	16
Dark Fiber Lateral Design Northern Illinois	8 mos	8
Bid and Processing	20 mos	20

Fiber Installation Northern Illinois

Design Locates	12 mos	12
Drafting Design	12 mos	12
Permits and Approval	30 Days	13
All Permits Available	10 Days	13
Duct/Fiber Cable Installation	120 days	20

Equipment Installation Northern Illinois

Equipment Selection	30 days	14
Equipment Bid and Processing	60 days	16
Equipment Delivery	60 days	18
Wireless Equipment Installation	120 days	24
Fiber Equipment Installation	150 days	24
Final Completion and Documentation	30 days	26

Design Functions Central Illinois

Verification of obtainable long haul fiber routes	12 mos	12
Verification of Municipal Resources for wireless	18 mos	18
Municipal Contracts for wireless	18 mos	18
Network Design Approach	10 mos	10
IRU contracts	16 mos	16
Dark Fiber Lateral Design	10 mos	10
Bid and Processing	20 mos	20

Fiber Installation Central Illinois

Design Locates	14 mos	14
Drafting Design	14 mos	14

Permits and Approval	30 Days	15
All Permits Available	10 Days	15
Duct/Fiber Cable Installation	120 days	22

Equipment Installation Central Illinois

Equipment Selection	30 days	15
Equipment Bid and Processing	60 days	18
Equipment Delivery	60 days	20
Wireless Equipment Installation	120 days	26
Fiber Equipment Installation	150 days	26
Final Completion and Documentation	30 days	28

Design Functions Southern Illinois

Verification of obtainable long haul fiber routes	14 mos	14
Verification of Municipal Resources for wireless	14 mos	14
Municipal Contracts for wireless	18 mos	18
Network Design Approach	14 mos	14
IRU contracts	16 mos	16
Dark Fiber Lateral Design	14 mos	14
Bid and Processing	22 mos	22

Fiber Installation Southern Illinois

Design Locates	14 mos	14
Drafting Design	14 mos	14
Permits and Approval	30 Days	15
All Permits Available	10 Days	15
Duct/Fiber Cable Installation	120 days	24

Equipment Installation Southern Illinois

Equipment Selection	30 days	18
Equipment Bid and Processing	60 days	20
Equipment Delivery	60 days	22
Wireless Equipment Installation	120 days	28
Fiber Equipment Installation	150 days	28
Final Completion and Documentation	30 days	30

9. Provide detail on whether network is or will become self sustaining. Selected participants should provide an explanation of how network is self sustaining.

Our financial plan is based on using the Pilot Program funds for the deployment of the network. Health care providers that use the network will be expected to provide monthly payments for network services, which will be used primarily for two purposes:

- Maintenance and repair contract
- Escrow account for equipment refresh

We are also in discussions with a number of health care providers, not currently in the IRHN, that have expressed interest in joining. New members will have to bear the burden of the cost to add them to the network, and likewise the cost of maintenance, repair, and escrow payments for equipment refresh.

10. Provide detail on how the supported network has advanced telemedicine benefits:

BECAUSE NO HEALTH CARE PROVIDERS HAVE BEEN CONNECTED TO DATE, WE ARE NOT RESPONDING TO THIS ITEM. WE INTEND TO FULLY MEET EACH OF THE OBJECTIVES.

a. Explain how the supported network has achieved the goals and objectives outlined in selected participant's Pilot Program application;
b. Explain how the supported network has brought the benefits of innovative telehealth and, in particular, telemedicine services to those areas of the country where the need for those benefits is most acute;
c. Explain how the supported network has allowed patients access to critically needed medical specialists in a variety of practices without leaving their homes or communities;
d. Explain how the supported network has allowed health care providers access to government research institutions, and/or academic, public, and private health care institutions that are repositories of medical expertise and information;
e. Explain how the supported network has allowed health care professional to monitor critically ill patients at multiple locations around the clock, provide access to advanced applications in continuing education and research, and/or enhanced the health care community's ability to provide a rapid and coordinated response in the event of a national crisis.

11. Provide detail on how the supported network has complied with HHS health IT initiatives:

BECAUSE NO HEALTH CARE PROVIDERS HAVE BEEN CONNECTED TO DATE, WE ARE NOT RESPONDING IN DETAIL TO THIS ITEM. WE INTEND TO FULLY MEET THE OBJECTIVES, AND ARE INCORPORATING THE STEPS THAT WE WILL TAKE INTO THE PROCESS.

a. Explain how the supported network has used health IT systems and products that meet interoperability standards recognized by the HHS Secretary;
b. Explain how the supported network has used health IT products certified by the Certification Commission for Healthcare Information Technology;
c. Explain how the supported network has supported the Nationwide Health Information Network (NHIN) architecture by coordinating activities with organizations performing NHIN trial implementations;
d. Explain how the supported network has used resources available at HHS's Agency for Healthcare Research and Quality (AHRQ) National Resource Center for Health Information Technology;
e. Explain how the selected participant has educated themselves concerning the Pandemic and All Hazards Preparedness Act and coordinated with the HHS Assistant Secretary for Public Response as a resource for telehealth inventory and for the implementation of other preparedness and response initiatives; and
f. Explain how the supported network has used resources available through HHS's Centers for Disease Control and Prevention (CDC) Public Health Information Network (PHIN) to facilitate interoperability with public health and emergency organizations.

12. Explain how the selected participants coordinated in the use of their health care networks with the Department of Health and Human Services (HHS) and, in

particular, with its Centers for Disease Control and Prevention (CDC) in instances of national, regional, or local public health emergencies (e.g., pandemics, bioterrorism). In such instances, where feasible, explain how selected participants provided access to their supported networks to HHS, including CDC, and other public health officials.

BECAUSE NO HEALTH CARE PROVIDERS HAVE BEEN CONNECTED TO DATE, WE ARE NOT RESPONDING IN DETAIL TO THIS ITEM. WE INTEND TO FULLY MEET THE OBJECTIVES, AND ARE INCORPORATING THE STEPS THAT WE WILL TAKE INTO THE PROCESS.

APPENDIX III

SEPTEMBER 30TH QUARTERLY REPORT

1. Project Contact and Coordination Information

e. Identify the project leader(s) and respective business affiliations.

Alan Kraus
Project Coordinator
Illinois Rural HealthNet
Executive Director
Broadband Development Group
Northern Illinois University

f. Provide a complete address for postal delivery and the telephone, fax, and e-mail address for the responsible administrative official.

1120 E. Diehl Road, Suite 140
Naperville, IL 60563
815-753-8945
Fax 815-753-8940
akraus@niu.edu

g. Identify the organization that is legally and financially responsible for the conduct of activities supported by the award.

Illinois Rural HealthNet (State of Illinois Not for Profit Corporation)

Our application for 501(c)3 status has been submitted to the federal government.

h. Explain how project is being coordinated throughout the state or region.

The Illinois Rural HealthNet (IRHN) is a State of Illinois Not for Profit corporation, and our application for 501(c)3 status is in progress. The IRHN consists of the following member organizations/hospitals at this time:

- Northern Illinois University
- Illinois Critical Access Hospital Network (ICAHN)
- Tri-Rivers Health Network
- Metropolitan Research and Education Network (MREN)
- Illinois State University (ISU)
- Janet Wattles Center
- Ben Gordon Center
- Sinnissippi Center
- Delnor Hospital
- University of Illinois Urbana-Champaign Extension
- University of Illinois Urbana-Champaign College of Medicine
- Carle Foundation Hospital

- Southern Illinois University

The IRHN is committed to adding new organizations and hospitals, and has been actively working with various entities within the State of Illinois toward that end.

On the technical side, the network will consist of fiber backbone and some fiber laterals, combined with point to point wireless to connect locations where use of fiber is not cost effective. We are currently meeting with fiber, wireless, and telecommunication companies to gather information for the final network design.

Additional information is available at our website: www.niu.edu/irhn/

2. Identify all health care facilities included in the network.

NO CHANGE IN INFORMATION; PLEASE REFER TO SECTION 2 OF APPENDIX II

3. Network Narrative:

NO CHANGE IN INFORMATION; PLEASE REFER TO SECTION 3 OF APPENDIX II

4. List of Connected Health Care Providers:

NO CHANGE IN INFORMATION; PLEASE REFER TO SECTION 4 OF APPENDIX II

5. Identify the following non-recurring and recurring costs

NO CHANGE IN INFORMATION; PLEASE REFER TO SECTION 5 OF APPENDIX II

6. Describe how costs have been apportioned and the sources of the funds to pay them:

We have been working with State, federal, local, and not-for-profit organizations to identify the matching funds for the IRHN and for IRHN last mile connections. A number of IRHN hospitals will provide some amount of funds for the 15% match, and the State of Illinois is identifying funds as well. The final cost apportionment formulas will be worked out in the near future.

a. Explain how costs are identified, allocated among, and apportioned to both eligible and ineligible network participants.

In Appendix I, please see the list of equipment and related costs as they pertain to the IRHN members and the IRHN technical network.

The costs are segmented by fiber and wireless categories, and by geography and facility. There is a separate cost for annual maintenance.

The costs listed in Appendix I are our best estimates, at this time, of how the costs may play out as we go through the USAC bidding process. The IRHN will be posting a series of

RFPs that focus on the desired backbone for the network, and that focus on the last mile connections to health care entities.

In some instances, the backbone and last mile costs may be more than we anticipated, and in some instances, they may be less. We will concentrate initially on establishing the backbone, as it will be the "superhighway" that will connect to the last-mile links to the individual health care entities. We can then make adjustments, as needed, to the last mile connection formulas.

The funding from the Pilot Program will be used to purchase equipment and to develop long-term contracts, such as IRUs, for dark fiber connectivity. Here is how it will work:

- Via our posted bids for the backbone, we will be seeking cost-efficient fiber, which could be the result of successful bids from traditional or non-traditional carriers. We will be seeking contracts wherein we pay the long-term cost up front, using the Pilot Program funding. This will help build the business case for sustainability, because we will not have substantial ongoing recurring costs for the backbone.

- Via our posted bids for last mile connections, we will be seeking cost-efficient contracts for long-term periods. The connections could be via wireless (where we would buy the equipment) or fiber laterals (long term contracts paid up front), or from traditional or non-traditional carriers (using long term contracts with the bulk of costs paid in the first few years).

When the IRHN has been implemented, at the end of the five-year period, the only costs going forward will be for maintenance and for equipment/contract refresh. We will be working individually with each health care entity on their separate business cases, and each entity will have to commit to a reasonable ongoing monthly cost for service. Many of our rural hospitals are currently paying in the area of $1000/month for T1 circuits. Many of them would like to increase their throughput, but cannot afford the $5,000 to $10,000/month cost that increased speeds might cost. Via the IRHN, they will be asked to pay approximately double their current monthly cost, for which their bandwidth will increase from 1.5Mbps to a minimum of 100Mbps.

At this time, all but one of our network users are eligible. The one entity that may not be is a rural, for-profit hospital. We will be checking whether it has a dedicated emergency department. If it does not, the facility would have to pay its fair share of network and connection costs in order to be connected to the IRHN.

b. Describe the source of funds from:
i. Eligible Pilot Program network participants

The IRHN is working with two scenarios for the source of funds for Eligible participants:

- Some hospitals will be providing a portion of the matching funds.
- The IRHN expects to receive a portion of the matching funds from sources other than hospitals.

Some of the eligible founding members of the IRHN have contributed funds to establish initial programming activities.

ii. Ineligible Pilot Program network participants

Any Ineligible network participants will have to pay the entirety of the fair share required to connect to their facility.

c. Show contributions from all other sources (e.g., local, state, and federal sources, and other grants).

The IRHN anticipates receiving funding in the near future from state and federal sources.

i. Identify source of financial support and anticipated revenues that is paying for costs not covered by the fund and by Pilot Program participants.

The IRHN anticipates receiving funds from some of our member institutions and from other state and charitable sources to pay for costs not covered by the fund and Pilot participants. To date, the operating costs for the individuals working on network design studies have been paid by Northern Illinois University.

ii. Identify the respective amounts and remaining time for such assistance.

To be determined.

d. Explain how the selected participant's minimum 15 percent contribution is helping to achieve both the selected participant's identified goals and objectives and the overarching goals of the Pilot Program.

The matching funds will be applied as required, per our understanding of the Pilot Program, in order to move forward each procurement and contractual phase of the implementation process. As such, the contributions will help achieve the implementation of the network backbone and the last mile connections, and thereby help achieve the high speed bandwidth that is the technical objective. This, in turn, will allow the IRHN facilities to utilize medical applications in rural locations, such as transmitting images from CT scanners and digital mammography, to specialists wherever they may be, for almost real-time consultation and diagnosis of the patient at the rural hospital.

7. Identify any technical or non-technical requirements or procedures…

NO CHANGE IN INFORMATION; PLEASE REFER TO SECTION 7 OF APPENDIX II

8. Provide an update on the project management plan, detailing:

c. The Project's current leadership and management structure and any changes to the management structure since the last data report;

New information below:

Executive Committee Established:

The Executive Committee meets monthly, and its members communicate weekly and often daily on central issues. The following are included:

- Diana Dummitt, University of Illinois College of Medicine
- Roger Holloway, President, Illinois Rural Health Association
- Alan Kraus, Director, IRHN
- John Lewis, V.P., Northern Illinois University Outreach

- Pat Schou, Executive Director, Illinois Critical Access Hospital Network
- Deborah Seale, Executive Director, Southern Illinois University Telehealth Networks and Programs

Membership of Strategic Subcommittees:

The functions and memberships of the subcommittees, as currently defined, are listed below. These are based on feedback during the meeting, communications sent to NIU, and follow-up discussions.

To ease potential workloads, NIU will provide administrative support for each subcommittee, to include coordination of meetings and communications, note-taking, and providing minutes.

- Sustainability
  - Existing sources of funding
  - New sources of funding
  - Current members:
    - Phillip V. Davis, Ph.D., SIU School of Medicine
    - Diane Dow, SIU School of Medicine
    - Diana Dummitt, UIUC College of Medicine
    - Pat Schou, Illinois Critical Access Hospital Network (ICAHN)
    - Deborah E. Seale, SIU Telehealth Networks and Programs
    - Joe Mambretti, Northwestern University, ICAIR
    - Doug Power, NIU Broadband Development Group
    - Roger Holloway, NIU Rural Health Resources

- Education and Outreach
  - Recruiting new members of IRHN
  - Getting the word out
  - Identifying and addressing areas of need
  - Current Subcommittee members:
    - Pat Schou, ICAHN
    - Deborah E. Seale, SIU Telehealth Networks and Programs
    - Diana Dummitt, UIUC College of Medicine
    - Dr. Elizabeth (Betsy) Carlson, ISU Mennonite College of Nursing
    - DeAnne White, Sinnissippi Centers
    - Phil Wasson, TriRivers Health Partners
    - Alan Kraus, NIU Broadband Development Group
    - Virginia Cassidy, NIU

- Technology
  - Network expansion
  - Network capabilities
  - Disaster recovery and resumption of business
  - Current members:
    - Scott Genung, Illinois State University
    - Phil Wasson, TriRivers Health Partners
    - Sim Prahlad, Delnor Hospital
    - Richard French, SIU School of Medicine
    - Joe Mambretti, Northwestern University, ICAIR
    - Todd Cooper, ICAHN
    - Tracy Smith, UIUC Network

        - Herb Kuryliw, NIU
        - Roger Swenson, NIU Broadband Development Group

- Medical and Health Applications
    - Areas of collaboration
    - New applications
    - Training
    - Current members:
        - Deborah E. Seale, SIU Telehealth Networks and Programs
        - Pat Schou, ICAHN
        - Diana Dummitt, UIUC College of Medicine
        - Dr. Susan Kossman, ISU Mennonite College of Nursing
        - DeAnne White, Sinnissippi Centers
        - Nancy Eisenmenger, Carle Foundation Hospital Regional Outreach Telemedicine
        - Alan Kraus, NIU Broadband Development Group
        - Shirley Richmond, NIU

- Management and Organization
    - Establishing and staffing the not-for-profit organization
    - Implementing the work plan
    - Tracking and addressing public policy issues
    - Current members:
        - Pat Schou, ICAHN
        - Mary Ring, ICAHN
        - Diana Dummitt, UIUC College of Medicine
        - Phil Wasson, TriRivers Health Partners
        - Connie Poole, SIU School of Medicine
        - Ryan Croke, Lt. Governor's Office
        - Doug Power, NIU Broadband Development Group
        - John Lewis, NIU

d. Updated project schedule:

Illinois Rural HealthNet
Project Schedule for Network Construction

Task Name	Duration	Month
Overall Project Duration	42 Months	42
Committee Formation	completed	3
Formation of Legal Organization(s)	State	Done
Submit 501c(3) within month		
Contracts Processed	May 2010	Done
Work Complete	42	42
Design Functions Northern Illinois		
Verification of obtainable long haul fiber routes	12 mos	12
Verification of Municipal Resources for wireless	18 mos	18
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IRU contracts	16 mos	16
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Equipment Installation Northern Illinois		
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Wireless Equipment Installation	120 days	24
Fiber Equipment Installation	150 days	24
Final Completion and Documentation	30 days	26
Design Functions Central Illinois		
Verification of obtainable long haul fiber routes	12 mos	12
Verification of Municipal Resources for wireless	18 mos	18
Municipal Contracts for wireless	18 mos	18
Network Design Approach	10 mos	10
IRU contracts	16 mos	16
Dark Fiber Lateral Design	10 mos	10
Bid and Processing	20 mos	20
Fiber Installation Central Illinois		
Design Locates	14 mos	14
Drafting Design	14 mos	14
Permits and Approval	30 Days	15
All Permits Available	10 Days	15
Duct/Fiber Cable Installation	120 days	22
Equipment Installation Central Illinois		
Equipment Selection	30 days	15
Equipment Bid and Processing	60 days	18
Equipment Delivery	60 days	20
Wireless Equipment Installation	120 days	26
Fiber Equipment Installation	150 days	26
Final Completion and Documentation	30 days	28
Design Functions Southern Illinois		
Verification of obtainable long haul fiber routes	14 mos	14

Verification of Municipal Resources for wireless	14 mos	14
Municipal Contracts for wireless	18 mos	18
Network Design Approach	14 mos	14
IRU contracts	16 mos	16
Dark Fiber Lateral Design	14 mos	14
Bid and Processing	22 mos	22
Fiber Installation Southern Illinois		
Design Locates	14 mos	14
Drafting Design	14 mos	14
Permits and Approval	30 Days	15
All Permits Available	10 Days	15
Duct/Fiber Cable Installation	120 days	24
Equipment Installation Southern Illinois		
Equipment Selection	30 days	18
Equipment Bid and Processing	60 days	20
Equipment Delivery	60 days	22
Wireless Equipment Installation	120 days	28
Fiber Equipment Installation	150 days	28
Final Completion and Documentation	30 days	30

9. Provide detail on whether network is or will become self sustaining. Selected participants should provide an explanation of how network is self sustaining.

The IRHN business case has been designed to be fully sustainable, with no requirement for ongoing external funding from any source.

The IRHN is using the Pilot Program funding for capital expenditures and for long-term contracts, such as Indefeasible Rights to Use (IRUs). After the implementation of the network, the hospitals will pay a relatively low monthly cost, which will pay for network maintenance and will also pay for an "escrow" type fund for equipment refresh in the future.

Prior to any health care entity being connected to the IRHN, the IRHN will develop with the individual entity the business case that governs the relationship. The business case, in general, can be summarized as follows: The Pilot Program funds will be used to establish and implement the network backbone and a portion of the last mile costs. Some hospitals will provide funding for portions of the last mile costs as well.

Sample Work Sheet:

For each geographic and logical region, the following components are factored in:

- Backbone fiber design
    - List elements on the backbone design, with estimated cost
    - Map elements, so RFPs can be prepared
    - Compare RFP results to cost estimates
    - Modify business plan if needed

- Last Mile design
    - List possible elements of last mile design, with estimated cost
        - Fiber laterals
        - Wireless connectivity
        - Services
        - Non-Traditional
    - Map elements, so RFPs can be prepared
    - Compare RFP results to cost estimates
    - Modify business plan if needed
- Business Case
    - Source of 15% match for backbone
    - Source of 15% match for last mile
    - Revise the cost estimate for connecting each of the locations, based on RFP results
    - Develop alternate plans for selected locations, if needed
    - Each hospital signs off on sustainability plan for its location
        - Each location will be responsible for ongoing payment to support network maintenance and equipment refresh
- Network Implementation schedule
    - Implement backbone and last mile connectivity as the availability of the 15% match funding allows
    - Implementing of backbone and last mile connectivity will not begin until the sustainability plan has been agreed to by all parties
- Long-term contracts
    - The Pilot Program funding will be used to purchase
        - Definable assets, such as equipment or fiber or lambdas
        - Long-term services contracts, with the major cost to be paid in the first few years
    - Maintenance contracts for equipment

Sample Geographic Region

Following is an example of one geographical region, in this case, the plan to connect from the network backbone to last mile locations, between Springfield and St. Louis.

In this region, network backbone will exist in Litchfield. In our initial network design, $122,600 was allocated for each of the following last mile connections:

- Litchfield to Carlinville
- Carlinville to Greenfield
- Greenfield to Carrolton
- Litchfield to Hillsboro
- Hillsboro to Vandalia

We anticipate posting an RFP that will ask for this connectivity, including the appropriate specifications, etc. With the results of the RFP, both technical and financial, we will make adjustments, if needed, to the technical design and to the business plan.

We will issue the RFP for Network Design, and the next steps will include firming up the projected network backbone with the next series of RFPs, after which the RFPs for last mile connectivity will be posted.

Sustainability:

Each member location will be responsible for a monthly payment, beginning as soon as the location is successfully connected, that will be approximately double the cost that each location is currently paying for data service.

We estimate that this will be in the area of $2400/month. This will be used to pay the monthly cost for maintenance contracts and to build up the funds for equipment and contract refresh.

Summary:

As was described in our answer to Item 6 in this report, the funding from the Pilot Program will be used to purchase equipment and to develop long-term contracts, such as IRUs, for dark fiber connectivity. Here is how it will work:

- Via our posted bids for the backbone, we will be seeking cost-efficient fiber, which could be the result of successful bids from traditional or non-traditional carriers. We will be seeking contracts wherein we pay the long-term cost up front, using the Pilot Program funding. This will help build the business case for sustainability, because we will not have substantial ongoing recurring costs for the backbone.

- Via our posted bids for last mile connections, we will be seeking cost-efficient contracts for long-term periods. The connections could be via wireless (where we would buy the equipment) or fiber laterals (long term contracts paid up front), or from traditional or non-traditional carriers (using long term contracts with the bulk of costs paid in the first few years).

When the IRHN has been implemented, at the end of the five-year period, the only costs going forward will be for maintenance and for equipment/contract refresh. We will be working individually with each health care entity on their separate business cases, and each entity will have to commit to a reasonable ongoing monthly cost for service.

Many of our rural hospitals are currently paying in the area of $1000/month for T1 circuits. Many of them would like to increase their throughput, but cannot afford the $5,000 to $10,000/month cost that increased speeds might cost.

Via the IRHN, they will be asked to pay approximately double their current monthly cost, for which their bandwidth will increase from 1.5Mbps to a minimum of 100Mbps. Many of the locations will have speeds of 1 Gbps. For most of our locations, the relatively small increase in cost will be more than offset by the significant increase in bandwidth, which will allow them to carry out more procedures and, hence, increase their revenues. If some locations have particularly difficult financial scenarios, we will work on an individual-case basis with them to develop the most appropriate solutions.

The bottom line, however, is that no location will be connected to the IRHN without there being in place a sustainable business case that will provide for long-term sustainability of the network, with no requirement for ongoing funding from outside sources.

10. Provide detail on how the supported network has advanced telemedicine benefits:

NO CHANGE IN INFORMATION; PLEASE REFER TO SECTION 10 IN APPENDIX II

11. Provide detail on how the supported network has complied with HHS health IT initiatives:

NO CHANGE IN INFORMATION; PLEASE REFER TO SECTION 11 IN APPENDIX II

12. Explain how the selected participants coordinated in the use of their health care networks with the Department of HHS and, in particular, with its CDC…….

NO CHANGE IN INFORMATION; PLEASE REFER TO SECTION 12 IN APPENDIX II